

the Committee on National Security, the Committee on Resources, the Committee on Science, and the Permanent Select Committee on Intelligence.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### REIMBURSEMENT OF FORMER WHITE HOUSE TRAVEL OFFICE EMPLOYEES

Mr. SMITH of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2937) for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that Office on May 19, 1993, as amended.

The Clerk read as follows:

H.R. 2937

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. REIMBURSEMENT OF CERTAIN ATTORNEY FEES AND COSTS.

(a) IN GENERAL.—The Secretary of the Treasury shall pay, from amounts in the Treasury not otherwise appropriated, such sums as are necessary to reimburse former employees of the White House Travel Office whose employment in that Office was terminated on May 19, 1993, for any attorney fees and costs they incurred with respect to that termination.

(b) VERIFICATION REQUIRED.—The Secretary shall pay an individual in full under subsection (a) upon submission by the individual of documentation verifying the attorney fees and cost.

(c) NO INFERENCE OF LIABILITY.—Liability of the United States shall not be inferred from enactment of or payment under this section.

#### SEC. 2. LIMITATION ON FILING OF CLAIMS.

The Secretary of the Treasury shall not pay any claim filed under this Act that is filed later than 120 days after the date of the enactment of this Act.

#### SEC. 3. REDUCTION.

The amount paid pursuant to this Act to an individual for attorney fees and costs described in section 1 shall be reduced by any amount received before the date of the enactment of this Act, without obligation for repayment by the individual, for payment of such attorney fees and costs (including any amount received from the funds appropriated for the individual in the matter relating to the "Office of the General Counsel" under the heading "Office of the Secretary" in title I of the Department of Transportation and Related Agencies Appropriations Act, 1994).

#### SEC. 4. PAYMENT IN FULL SETTLEMENT OF CLAIMS AGAINST THE UNITED STATES.

Payment under this Act, when accepted by an individual described in section 1, shall be in full satisfaction of all claims of, or on behalf of, the individual against the United States that arose out of the termination of the White House Travel Office employment of that individual on May 19, 1993.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SMITH] and the gentleman

from Massachusetts [Mr. FRANK] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2937 would reimburse the legal expenses incurred by former employees of the White House Travel Office due to their dismissal on May 19, 1993. The Secretary of the Treasury would reimburse such costs out of money not otherwise appropriated.

On May 19, 1993, all seven White House Travel Office employees were fired. We now know that the employees' firing and the subsequent FBI investigation was actually instigated by individuals who were pursuing travel and aviation business controlled within the White House. As a result of the actions of those individuals, the seven employees suffered public and private humiliation and incurred extensive legal expenses in their attempt to defend themselves.

Today, after the conclusion of all the investigations, no one has been found guilty of any of the charges. Both a GAO report to Congress and a White House management review acknowledged that the actions of people within the White House, the public acknowledgment of a criminal investigation, and the investigation itself tarnished the employees' reputations and caused them to incur considerable legal expenses.

On the bases of these facts, the committee feels that in the interest of equity, these particular individuals' attorneys fees should be reimbursed.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I appreciate the very thoughtful manner in which the chairman of the subcommittee has managed this at subcommittee. We did adopt a few amendments to tighten it up.

I should note that this is not entirely unprecedented. As a matter of fact, well back in the early 1980's the Congress appropriated funds to compensate for lawyer's fees, Hamilton Jordan, because when he was working for Jimmy Carter he was, wholly unfairly, accused of things.

At the point the independent counsel statute, then called the special prosecutor statute, had a very, very low trigger, and very irresponsible and inaccurate accusations against Mr. Jordan triggered the statute as it was then written. He was then compensated. Indeed, the former Member of the House who is now the Secretary of Agriculture carried the bill at the time because he chaired the appropriate subcommittee, and Mr. Jordan was compensated for his attorney's fees.

So it is not unprecedented that we compensate people who were unfairly put to the need to hire attorneys. In

fact, after the Jordan situation, when Congress reenacted the independent counsel statute in 1982, I believe it was, we raised the trigger because we did not want others to have to go through that. We also included a provision there which had not been in the original act, which compensates anybody who was the subject of an independent counsel investigation, the potential target who is not indicated.

Indeed a great deal of money has been paid out, and I would guess millions of dollars for that as the price of this statute, because then under the independent counsel statute people find themselves investigated where they might not otherwise have been because the trigger, although higher than originally, is still lower than in some cases.

Also in the course of that the late Judge George McKinnon, who was a very distinguished head of the special court that appointed independent counsel, developed a lot of law which we alluded to, I believe, in this report and in the discussion in committee to properly distinguish between lawyer's fees that ought to be compensated and other fees that should not be.

Lawyers can do a lot of things for people. They can write articles; they can be public relations advisers. Judge McKinnon set down some very good criteria for differentiating between those properly compensable fees and other expenses, and I am glad to say that I think we will be building on that in that.

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I think the precedent that, having been set before, is useful to follow now, and it is not a binding precedent. No one can then come before us and say, "You must do that." We are not governed by the rule of stare decisis the way the courts are.

However, I think reaffirming the principle that people who have unfairly been put to significant legal expenses, people who were there not because they happen to be in the way of some investigation as an ordinary citizen, but people who because of their governmental position and because of a variety of factors were put to expenses that they should not have had to have been put to, that it is reasonable to compensate them. It is not the first time we have done it. In my judgment it should not necessarily be the last time, because there are other cases where people are involved.

I think it is appropriate to provide the funds for these people here, and understand that we are once again affirming a principle that people who have been unfairly put to great expenses, particularly people of no great personal wealth, ought to be able to look to this Congress for some compensation.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER], chairman

of the Committee on Government Reform and Oversight.

(Mr. CLINGER asked and was given permission to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to rise in support of H.R. 2937, which will reimburse the legal expenses incurred by some of the former employees of the White House Travel Office with respect to the firings that took place on May 19, 1993.

Mr. Speaker, I am very pleased to say that the White House has indicated that President Clinton will sign this legislation. I am particularly appreciative of the extraordinary assistance of my colleagues on the Committee on the Judiciary and the support of my colleagues on the minority side of the aisle, and I urge my colleagues to support this vital legislation.

As hard as it may be to believe, nearly 3 years have passed since that late morning of May 19 when five White House Travel Office employees were fired summarily by Mr. David Watkins in order to be out of the White House by noon.

Two of their colleagues were not present for what Mr. Watkins characterized as a surgical procedure. One was on a White House advanced trip to South Korea and learned he had been terminated by CNN. The other, who was on vacation, on a personal vacation in Ireland, was called by his son in Ireland and told, "Dad, Tom Brokaw said you were fired." So this was really the beginning of what was a nightmare, really, for these seven individuals, their families, and their friends. It was a nightmare from which they are only now really beginning to see the light.

I understood and I think most of us here in the Congress understood all along that the Travel Office employees served at the pleasure of the President; so, I think, did the Travel Office employees themselves, as a matter of fact, understand that they served at the pleasure of the President. But from the very first, the manner in which these men were fired raised troubling questions. In particular, the White House's May 19, 1993 statement that the FBI was launching a criminal investigation of the Travel Office was really, I think, highly inappropriate and improper. While that was the most troubling issue arising from the firings, others festered in the days and weeks which followed.

While we are continuing to investigate the events leading up to and surrounding these firings, I am pleased there has been bipartisan support for beginning today to right the wrongs done to these individuals by passing this legal expense relief bill. It is impossible to imagine what the fired Travel Office employees, their families, and friends felt, and the fear that they had to feel as FBI agents combed their neighborhoods and as IRS agents threatened them with audits, as they faced grand juries and possible prosecu-

tion in a really Kafkaesque kind of atmosphere.

By May 25, 1993, the media had uncovered strong indications of conflicts of interest in the takeover of the White House Travel Office, and in the wake of media scrutiny and public outrage, the White House backtracked on its firings of five of the seven travel office employees and placed them on administrative leave. Those five men eventually did indeed find employment elsewhere in the Federal Government, and the Director and the Deputy Director of the Travel Office retired.

When I introduced this bill last month, I referred to the eloquence of the seven Travel Office employees, when they testified before the Committee on Government Reform and Oversight, to the pride they took in serving the White House under Democrat and Republican Presidents alike. I believed then and I believe now that Mr. McSweeney said it best when he said:

I would hope that people would understand that for me and thousands of others, when Air Force One would arrive, the markings on the side were not Democratic Party or Republican Party; it read, and reads, "United States of America." The emblem on its side was not a political poster, it was the seal of the Executive Office of the President of the United States, and when the door opened, the man or woman chosen by the people of this country to fill that office had my complete loyalty and support. I did that for 13 of the proudest years of my life.

The eloquence of the fired Travel Office employees has resonated, I think, across this Nation. In the wake of their January 24, 1996 testimony before the Committee on Government Reform and Oversight, I have received literally scores of letters supporting the fired Travel Office employees and decrying the damage done to their reputations. An example, a Connecticut woman wrote saying:

My husband and I were astounded when one night a few weeks ago we happened to turn on C-Span right at the moment when Billy Dale was beginning his story on what happened to him in the matter that has now become known as Travelgate. We listened as each of the seven gentlemen told his story, their opening statements. Up until that evening we had been under the impression that Billy Dale and possibly some of his associates had fraudulently misappropriated funds from the travel office and we were so thankful that your committee gave us the opportunity to learn the truth about what happened to these men. What our government did to those seven men should not happen to anyone.

But it did happen, and unfortunately the dedicated longstanding service of those seven men throughout some of the proudest years of their lives cost them dearly in the end. Six of the seven never were charged with any crime, while the seventh, Mr. Billy Dale, was acquitted by a jury of his peers in 2 hours following a 30-month investigation by the Justice Department.

Billy Dale's legal defense cost him nearly \$500,000. His six colleagues spent more than \$200,000 in their own defense,

some \$150,000 of which has been reimbursed by the 1994 Transportation appropriations bill, so we have seen partial compensation made to some of these gentlemen.

This bill will never mitigate the suffering of innocent men, their families and friends. It will, however, I think, make them whole for the legal defense expenses still outstanding against them, and quite rightly so.

So again, I would express my appreciation for the help of the chairman of the committee, the gentleman from Illinois [Mr. HYDE], the gentleman from Texas [Mr. SMITH], my colleagues on the Committee on the Judiciary and the Committee on Government Reform and Oversight, and Members of the minority, for their bipartisan support for this very, very humane and overdue piece of legislation. I urge support for this bill.

Mr. SMITH of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to say that I have seen a great amount of testimony and other information about the Travel Office matter. This is because I serve on both of the committees represented here today, the Committee on the Judiciary and the Committee on Government Reform and Oversight. Unfortunately, all of the matters that exist between the administration and the Congress about what happened in the Travel Office, even back almost 3 years, have not been resolved yet.

The center of contention is that the administration believes it has furnished Congress with all of the information requested about how things happened and how we got to this point, and some Members of Congress believe that is not the case, so there is still an area of contention between the two branches of government.

But there is no difference of opinion between the administration and the Congress as to the fact that these individuals, these employees of the Federal Government, were not treated fairly; in fact, were mistreated in this whole process. That has been acknowledged by the administration, I think to their credit, to look back at it and say, "We know we didn't handle this right." Mr. Speaker, it is also my understanding that the President does intend to sign this bill, should it reach his desk. I want to urge all Members to vote in favor of this legislation.

Mr. SMITH of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, I thank the gentleman for yielding time to me.

I commend the gentleman from Pennsylvania [Mr. CLINGER], the distinguished chairman of the Committee on Government Reform and Oversight, the Committee on which I serve. Mr. CLINGER pursued this matter of the unfair treatment of employees in the Travel Office at the White House when

all doors were blocked as to what really happened. Today, after several years of pursuit of the truth, a basic characteristic of the American people, which is fairness, has finally come into play.

I have sat for hours through the testimony of those involved. Chairman CLINGER has been a great leader in this effort to secure long-overdue justice for those employees who worked effectively to meet the travel needs of the various reporters who accompany the President on domestic and international trips. A few of those employees had served both Democratic and Republican Presidents since the early 1960s.

Suddenly, the new Clinton administration fired them. White House employees serve at the pleasure of the President. Instead White House agents abused their authority and abused these employees. This is not new. Occasionally a White House aide has abused the power of his office. Too often, immature individuals who have been successful during the campaign have been asked to join the White House staff. They cause Presidents a lot of difficulty. This is that kind of a case.

President Clinton was ill-served in this matter by the aggressiveness and eagerness of a few members of his staff.

As I noted, they misused their authority. They treated the employees of the Travel Office very unfairly. They made false accusations about very loyal employees. They misused the Federal Bureau of Investigation. As was noted, there has been a sudden loss of records as well as memory.

Travelgate is a sordid chapter in the history of White House staffs. Thus, I am delighted that the Committee on the Judiciary has reported this bill. I urge my colleagues in both parties to adopt it and end this case. At least we will have tried to make whole as to their legal fees to defend themselves the various persons whose lives have been very sadly and badly disrupted by these improper and unjustified activities.

Mr. SMITH of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, I rise in support of this bill. We had here Federal employees, career employees, who were dismissed from their jobs, put, sitting down, in a windowless moving van with no seats and their belongings, and summarily dumped onto the Elipse, out of sight of the press corps, where they could not comment on the firings.

Some of these employees had worked at the White House since the Kennedy administration for Presidents of both parties. Some of their families learned about these firings through the television, which, according to the White House press office, told that the employees were fired due to embezzlement and severe financial irregularities. We know now that these career civil servants did no wrong. In fact, they were

good at what they did. They simply got in the way of larger political and patronage objectives of the White House.

The White House had every right to terminate these individuals if they wanted to. That is not the issue in this case. The problem is that instead of 'fessing up to the deed that this was a political firing, documents were leaked to the press in an attempt to create the illusion that these firings were somehow for cause. They even tried to trump up criminal allegations against one Billy Dale, who, after several weeks of trial, was acquitted in less than 2 hours by a jury of his peers.

Mr. Speaker, this bill is an attempt to pay the legal bills of those wrongly accused. It can never mitigate the suffering they and their families endured, but I ask the support of my colleagues for this bill, and I say thank you to these employees for a job well done. This, in a small way, is our way of thanking those employees for the service they gave the Government.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. WAXMAN], the ranking member of the Committee on Government Reform and Oversight.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding time to me. I am not the ranking member, but I am a member of the Committee on Government Reform and Oversight.

Mr. Speaker, I think we ought to put some perspective to this debate. We are faced with an anomalous situation. We are singling out seven Federal employees for special and unprecedented treatment by compensating them for their legal expenses.

The House of Representatives has taken great pride in the fact that we are now going to operate under the rules that apply to other employers. That started in January of this year. In December of last year, over 100 House employees were summarily fired, and some of them apparently were fired because they were Democrats. They were, many of them, career people who had been here for a very long period of time. They are out. They do not have a job. No one is seeking to compensate them.

What we are faced with in this case is not compensating people for losing their jobs, because six of the seven travel office employees got jobs right away. What we are seeking to do is to pay for their legal fees. That might be the right thing to do, but it might have been the right thing to do when Federal employees were targeted and smeared by Senator McCarthy and other investigators over the years. It might be the right thing to do for many in the Clinton White House, employees who face hundreds of thousands of dollars in legal bills.

Yesterday an article in the *Legal Times* noted, and I want to quote this:

At last count, nearly 40 current and former officials of the Clinton White House alone have found it necessary to retain counsel.

The essential problem is that anyone taking a senior governmental position these days, especially in the White House, may end up in need of legal counsel, no matter how honorably she (or he) conducts herself (or himself). That wasn't true 20 years ago. It is a consequence of our current culture, of hair-trigger resort to criminal investigations as the ultimate weapon in partisan warfare.

Mr. Speaker, there have been a growing number of investigations by appointed investigators, as well as congressional ones, much of which, in my opinion, have been motivated by partisan considerations.

The White House, under President Clinton, came in and looked at the travel office and they had an independent review by the Peat, Marwick accounting firm that said there was a shambles in the travel office operations in terms of bookkeeping, a lot of mismanagement. They brought this to the attention of the people running the internal operations of the White House.

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In fact, some of the claims about mismanagement led to the Justice Department deciding to prosecute Mr. Dale. He was acquitted, but in this legislation, the proponents seek to compensate him for his attorney's fees.

There is another former White House aide that had something to do with the travel office, David Watkins. He has incurred, according to testimony he gave us, over \$100,000 in attorney's fees and more bills are yet on the way. Mr. Watkins has not been charged with any crime. Should we be compensating him for his attorney's fees?

Many lawyers in this House know the adage, "tough cases make bad law." Unless we use H.R. 2937 as a precedent for future Federal employees, this will indeed be a bad law. We should never single out one group for special treatment, even if they have a meritorious claim, while ignoring others in similar situations.

Mr. Speaker, I hope in passing H.R. 2937 the majority will also commit to supporting future legislation that provides such compensation to other Federal employees. That is the precedent we are taking in adopting this legislation. It is one that I hope the Judiciary Committee thought through quite carefully, because it may be one that will incur the taxpayers of this country an enormous amount of expenses, for not just these seven people but others who have as meritorious, if not more meritorious, a claim that for their Government service and for their having to deal with accusations and investigations, for which they had to hire lawyers just to protect themselves in case someone later wanted to come back and second-guess them on anything they might have said or anything they might have done.

Mr. Speaker, I thank the gentleman for allowing me to make this statement and I hope Members will be very thoughtful about the consequences of legislation that we are looking at today.

Mr. SMITH of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. I thank the gentleman for yielding me the time.

Mr. Speaker, I rise to respond briefly to some of the comments made by the gentleman from California [Mr. WAXMAN]. He is certainly very correct when he said that the administration had the power legally to discharge all of the White House travel employees upon their entry into the White House if they had wanted to. If they had just done that, we would not be here today.

Mr. Speaker, the fact of the matter is that in a number of positions they do change politically, from Republican to Democrat, from Democrat to Republican, sometimes even within a party if different individuals take charge. That is part of the system, whether we all approve of it or not. The problem is that is not what happened here.

Mr. Speaker, what happened here is the fact that these individuals were virtually slandered by public accusations of financial mismanagement as the reason why they were, in fact, discharged. Those have never been supported. I do not believe there was officially an audit of the White House Travel Office.

Mr. WAXMAN. If the gentleman will yield, there was an official audit by Peat Marwick.

Mr. SCHIFF. I will yield in a moment to the gentleman. I believe it was a management study.

Mr. Speaker, in any event, the General Accounting Office took a look at the new White House Travel Office and the first thing they found was financial discrepancies in the sense of deposits not being entered in the checkbook and so forth. Nobody has been fired in the White House Travel Office over that. The point is that was never the reason why these employees were discharged. There has been ample evidence of that throughout all of the testimony.

Mr. Speaker, I just want to say before I yield to the gentleman from California that with respect to Mr. Watkins' legal fees, I do not know what will come out of that. Maybe at some point Mr. Watkins can come to the Congress also. I can say, however, because I attended the hearings that this matter continues to be alive in the U.S. Congress because Mr. Watkins' memorandum, which he himself wrote and notes that he himself wrote, contradict, in my judgment at least, what he and others told the official investigators in this case, and that is what is keeping this matter at the center of congressional attention, getting a straight story on that.

With that, I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding.

I want to point out that when the General Accounting Office did their evaluation, they talked to a Mr. Larry Herman from Peat Marwick. He was a Peat Marwick senior partner who led

the travel office review. In Mr. Herman's professional judgment, and I am quoting from the GAO notes, the travel office's accounting records were, quote, "the messiest, most illegible book-keeping he had ever seen." He stated he was, quote, "barely able to read the writing, very sloppy, and inconsistent with no explanations of differences," end quote.

Mr. Speaker, he was also frustrated he could not obtain appropriate responses from Mr. Dale, and they further went on that they seemed to have no concern for recordkeeping of other people's money. This might just be sloppiness, but they certainly raised a lot of concern when this audit was presented to people in the White House as to whether they ought to continue to keep the travel office employees in their jobs, and they decided eventually not to.

Mr. Speaker, what all of the Members here seem to be saying is that if they simply fired them for political reasons, that would have been OK.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume for what I believe will be my final comments, although I make no guarantees.

Mr. Speaker, I want to say first that I appreciate the gentleman from New Mexico's point as a member of the Committee on the Judiciary. I think he has made the only appropriate statement we can make. We do not set precedents here in the way a legal court does. No Congress binds a future Congress.

Mr. Speaker, the Congress retains always not the right but the responsibility to make judgments case by case, and I think the gentleman from New Mexico has fairly pointed out, should some other individuals come before the Congress and be able to make claims that Congress finds similarly meritorious, they may benefit. I do have to differ a little bit with the argument that says, well, we should not do it for anybody if we cannot do it for everybody.

Mr. Speaker, we unfortunately rarely can do justice for everyone. I have myself, because I served on the Administrative Law Subcommittee which dealt with claims, on the Immigration Subcommittee, been part of bringing to this floor legislation that made some people whole when other people similarly situated were not made whole. We can never do it all, and I think it would be a mistake to say either we do all of it or we do none of it.

Mr. Speaker, I thank the gentleman from New Mexico, who I think stated it the best way we can. This neither sets a precedent nor precludes someone. Any new case will be judged on the same merits, and I must say I think that we have dealt with this in a non-partisan and fair manner. I believe other people who might find themselves as claimants can be assured similarly.

The one thing I would take issue with was one of the previous speakers

referred to this as a sordid enterprise at the White House, and I would disagree with that. I think the administration made an error. I think it was an error in several ways, in part because it happened early in the administration. I am convinced that they would know better now and would not repeat this. But an error having been made, then I think people ought to be compensated, and we ought to recognize that that opportunity will exist in the future if other people can make a similar case. We will not do justice to everyone, but I would not let that be a reason not to do some justice for some people.

Mr. Speaker, I yield back the balance of my time.

Mr. SMITH of Texas. Mr. Speaker, I yield 2½ minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in strong support of the bill. There is precedent, I would tell the gentleman from California. This legislation builds upon an amendment that we adopted in a 1995 transportation appropriation bill where we provided \$150,000 to defray the cost of these individuals one other time, and I think it was a unanimous vote here in the Congress.

Second, it is the old saying, everything that goes around comes around, and what the Clinton administration did was to bludgeon these people. These were all career Federal employees, and one of them is a constituent of mine. Billy Dale does not have the beautiful people to go out and put a massive fundraiser on for him the way the President of the United States does. These people have been bludgeoned and their reputations have been ruined and financially they are in trouble. Even after Billy Dale was acquitted, the White House counsel came out and had to put a dagger in him again to say that maybe he was going to go for a plea bargain or something like that.

Mr. Speaker, Billy Dale supported Clinton. Billy Dale was just a career person just trying to do his job, and I will say the only thing I agree with what the gentleman from California [Mr. WAXMAN], said is this one thing. There is too much in this town of filing suits and charges back and forth. It really began against Ed Meese. Ed Meese had to pay a horrible, horrible price. He eventually was paid for it, and it goes on in both parties. If the passage of this bill could be the beginning of a cease-fire for that, it would be appropriate.

Let us not forget, and I want to make the record show, we may never know the truth. Billy Dale was acquitted by a jury of his peers. There is no evidence of gross mismanagement in the offices. There was no evidence of kickback with regard to Ultra Air. In fact, Ultra Air got a \$5,000 benefit back from the IRS. They got a rebate from the IRS and the White House had to pay for the excise fees.

Mr. Speaker, this, I think, makes whole not only from a financial point

of view but I think from a moral point of view. The passage of this bill should send a message to everyone in this city and this country that these people were innocent, and also for their families and future generations know that they were basically innocent and what happened was absolutely wrong and that passing it can make it as right as we possibly can.

Mr. CONYERS. Mr. Speaker, contrary to the practices and precedents of the House, the majority of the Committee on the Judiciary filed the report to accompany H.R. 2937 without allowing the minority to opportunity to file additional views. Unfortunately, it comes as no surprise that the majority did not want the minority to file additional views. This breach of the traditional comity of the House is consistent with the partisan tone that has characterized the majority's investigation into the Travel Office firings from the beginnings. The majority's report weaves a web of conspiracy that would make even Oliver Stone blanche.

To hear the majority tell it, the conspiracy to frame Travel Office director Billy Dale and drag him through a political show trial includes the FBI investigators and career prosecutors who tried his case, not to mention the private citizens on the grand jury who voted to indict him. Cases where Congress considers providing funds to meet the legal expenses of defendants should meet a threshold of prosecutorial misconduct or the compromising of the criminal justice system. There is no evidence of such misconduct in the case of Mr. Dale. This case was investigated by career FBI agents and prosecuted by career attorneys. No one has suggested misconduct on their parts as they pursued this case.

The fact is that Mr. Dale deposited \$50,000 of Travel Office funds into his personal bank account, and that became the basis for the criminal charges of embezzlement. Mr. Dale admitted that he deposited these funds into his account, but denied that his intent was fraudulent, and he was acquitted.

However, even Mr. Dale, in sworn testimony before the Government Reform Committee, acknowledged that there was no misconduct on the part of the prosecutors or investigators who pursued the criminal case. The gentleman from Pennsylvania [Mr. KANJORSKI] asked Mr. Dale:

When the allegation of criminal conduct was referred to the Justice Department and the public integrity section of the Justice Department; are you suggesting in any way that either those attorneys in the Justice Department, the people in the grand jury, the judge that tried the case or the people that made up the jury were in some way compromised?

Mr. Dale responded: "Absolutely not."

There is no dispute that White House officials erred in the firings of the five lower level Travel Office employees. The White House admitted as much in its 1993 internal review, and four officials were subsequently reprimanded. It is because of this that I have not opposed H.R. 2937. To the extent that these individuals have legal expenses not covered by previous appropriated sums, it may be appropriate to provide this additional authorization. However, as the majority's report points out, the bulk of the expenses of the Travel Office employees were incurred by Mr. Dale for his defense to the criminal charges brought against him.

I do not believe this legislation provides reimbursement for those expenses. Because H.R. 2937 is limited to costs associated with the employees' termination. Mr. Dale was indicted and acquitted for activities that took place prior to this administration, and therefore could not be related to the termination as required by the legislation.

In fact, an examination of the facts which are conveniently ignored by the majority suggest, first improprieties in Billy Dale's running of the Travel Office had been rumored for years, and the Clinton White House had plenty of reasons to be suspicious of him; second, the Peat Marwick review provided ample evidence of financial mismanagement on Dale's part; and third, there were significant grounds to suspect that he may have been embezzling funds from the Travel Office.

#### REASONS TO BE SUSPICIOUS ABOUT THE TRAVEL OFFICE

Rumors about improprieties by the Travel Office staff have been circulating since at least 1988, when allegations were made that included Travel Office staff accepting gifts from one airline doing business with the office, which in turn received the Travel Office business on a noncompetitive basis. When the Reagan White House questioned Dale about these charges, he admitted that the Travel Office staff regularly accepted gifts of tickets to sporting events and invitations to elaborate fishing parties from contractors. Accepting gifts from contractors doing business with the office was against Federal regulations and may have been a Federal criminal violation.

The Reagan White House, faced with this admission to impropriety, did not refer the evidence to the Justice Department for further investigation as required when any evidence of a crime is uncovered. It never took any disciplinary action against the employees for improperly accepting gifts. And it never instructed that a competitive bidding process be implemented. Instead, it swept the allegations under the rug.

When asked about the lack of competitive bidding, Dale stated that no one else was interested in the business. Yet, during the course of the FBI investigation into the Travel Office, officials of a competing airline charter company told the FBI that it "had concern as to why the Travel Office did not have competitive bidding and why a charter company would have an exclusive contract with the Travel Office."

So when Darnell Martens, whose firm TRM had provided some services for the Clinton campaign, contacted Dale in early 1993 to discuss his firm's bidding on Travel Office business, it should have come as no surprise when Dale told him, according to Martens' notes of the conversation, that he had no chance of obtaining any business. Dale gave two reasons for his response to Martens. The first, that Martens would not be able to offer better price than Dale was already getting, cannot be taken seriously because Dale never even allowed Martens to make a bid. How could Dale possibly know Martens' price if he was not given a chance to bid?

The second added even more to the suspicions about the Travel Office under Billy Dale. According to Martens' notes, Dale said, "I have been here 31 years and no one has seen fit to replace me with commercial operations yet. So until they do, I will continue to handle this without your help." Does the majority, which professes to be the prophet of pri-

vatzation, see the irony in defending a career bureaucrat fighting desperately for his job against a competitive bid from the private sector? Nevertheless, the 1988 allegations were known within the Clinton White House, and coupled with Martens' rebuke at the hands of Dale, there was plenty of reason to suspect that something was amiss in the Travel Office.

#### PEAT MARWICK FINDS FINANCIAL MISMANAGEMENT

The Majority, in the midst of its lengthy tale of intrigue of the Travel Office, conveniently fails to note the findings of the Peat Marwick review, while in the same breath discounting its conclusions. In fact, the Peat Marwick review uncovered significant evidence of mismanagement in the Travel Office, evidence that was communicated both to David Watkins before he made the decision to fire the employees, and to the FBI.

The Peat Marwick findings, under the heading of "Lack of Accountability," included a lack of financial control consciousness, no formal financial reporting process, no reconciliations of financial information other than reconciliations of bank statements, and no documented system of checks and balances on transactions and accounting decisions within the office.

When asked to explain these findings at the Government Reform Committee hearing, Mr. Dale denied that the findings amounted to financial weaknesses. However, that same day, Larry Herman, the Peat Marwick senior partner who led the Travel Office review, told the Associated Press that he did in fact find clear evidence of financial mismanagement which may have warranted the firing of Mr. Dale. "My personal assessment is that most companies today would question his management and would include questioning whether to remove that person from that position."

Mr. Herman was even more direct in an interview he gave to the General Accounting Office in September 1993. According to the GAO:

In Mr. Herman's professional judgment, the Travel Office's accounting records were, the messiest, most illegible bookkeeping, he had ever seen. He stated he was, barely able to read the writing, very sloppy and inconsistent, with no explanation of differences. He was also frustrated that he couldn't obtain appropriate responses from Mr. Dale. Mr. Dale seemed to not understand the significance of items such as lack of reconciliations, missing pages, and lack of followup on open billings. Mr. Herman had orally briefed Mr. Dale on Peat's findings and repeatedly asked for his assistance in locating records. Mr. Herman believed that Mr. Dale had no concern for record keeping of other people's money.

Further, Mr. Herman told GAO that "most of his clients would react the same way as the White House did. Mr. Herman's personal opinion is that it was a wise course of action to start over with [a] clean slate . . ."

#### THE FBI'S CRIMINAL INVESTIGATION

Information obtained during the course of the Peat Marwick review also provided sufficient evidence for the FBI of its own volition to initiate a criminal investigation of Mr. Dale. According to a memorandum from David Watkins to Mack McLarty attached to the White House management review, when FBI officials were briefed on the Peat Marwick findings, they believed there was sufficient cause for them to conduct a criminal investigation.

Some of that evidence is contained in the Peat Marwick report's findings that of eight

checks written against the Travel Office's Riggs Bank account totaling \$23,000 made out to cash and signed by Mr. Dale, only \$2,000 was reflected in the petty cash fund. Of the \$2,000 entry to the petty cash fund, the corresponding check from the Riggs account was for \$5,000. The Peat Marwick team's suspicions are further described in later interviews they gave to the GAO and the FBI.

For example, Mr. Herman's interview with the GAO provides more detail about the missing cash:

On Saturday, during the Peat Marwick review, Billy Dale was asked at least twice more about the missing \$3,000. Mr. Herman stated that Billy Dale suddenly seemed to recall something, then turned and opened his desk drawer or credenza and found the envelope with \$2,800. This raised another red flag to Mr. Herman. We, the GAO, questioned whether Mr. Dale had the opportunity to place the funds in the drawer between Friday and Saturday. Mr. Herman stated that he did.

The FBI later learned that late on the previous Friday, after being confronted with the discrepancies in the petty cash log, Mr. Dale had withdrawn \$2,500 in cash from his White House Credit Union account, and another \$400 from an automated teller machine.

Mr. Herman provided a progress report of the Peat Marwick review to two FBI officials that Saturday evening. According to the GAO interview with Herman, The FBI agents were specifically concerned with first, the eight incomplete transactions; second, the weak controls; and third, the \$2,800 in Billy Dale's credenza.

**MR. DALE NEVER DISCLOSED HIS SECRET DEPOSITS**

The FBI found this evidence to be sufficient to initiate a criminal investigation against Mr. Dale. However, it should be noted that during the Peat Marwick review, despite being interviewed for more than 2 hours about his financial management of the Travel Office, Mr. Dale never informed the Peat Marwick reviewers that he had been depositing Travel Office funds into his personal checking account. The discovery that Mr. Dale deposited \$50,000 of Travel Office funds into his personal bank account became the basis for the criminal charges against him.

When asked at the Government Reform Committee hearing why he never told his colleagues or even his wife about this unusual and ultimately disastrous, if not criminal, practice, he stated that no one ever asked him. Of course, it would never cross most people's mind to ask the director of a Federal office if he was depositing office funds into his personal bank account. Yet, the Peat Marwick auditors, during their review, spent a considerable amount of time with Mr. Dale to understand his accounting practices. According to Mr. Herman's interview with GAO, Mr. Herman interviewed Mr. Dale to learn how the office worked and the flow of financial activities occurring in the office, such as, files, ledgers, details of advancing, and reimbursement by the press.

This was the perfect opportunity for Mr. Dale to explain to an obviously suspicious team of reviewers a management practice that was the very least unusual. In any case, it was key to understanding the financial management of the Travel Office, and Mr. Dale purposely withheld that information from the Peat Marwick reviewers. Regardless of his ultimate intent, it is not in dispute that Mr. Dale

never told anyone about this practice until the FBI discovered it on its own after subpoenaing his personal bank account records.

Thus, based on the information provided by Peat Marwick and obtained during the course of its own investigation, the FBI had many reasons to suspect that Mr. Dale may have been embezzling funds. During the course of its investigation, the FBI found that he had secretly been depositing Travel Office funds into his personal bank account. That evidence was reviewed by career attorneys in the Public Integrity Section of the Department of Justice, and presented to a Federal Grand Jury who voted to indict Mr. Dale. As I stated earlier, there is no evidence of either prosecutorial misconduct or political interference with the criminal case.

For these reasons, I do not believe that Mr. Dale under this legislation is entitled to be reimbursed for legal expenses stemming from the criminal charges filed against him.

**GENERAL LEAVE**

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2937, the bill just considered.

The SPEAKER pro tempore (Mr. HUTCHINSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SMITH] that the House suspend the rules and pass the bill, H.R. 2937, as amended.

The question was taken.

Mr. SCHIFF. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

**VERMONT-NEW HAMPSHIRE  
INTERSTATE PUBLIC WATER  
SUPPLY COMPACT**

Mr. GEKAS. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 129) granting the consent of Congress to the Vermont-New Hampshire Interstate Public Water Supply Compact.

The Clerk read as follows:

**H.J. RES. 129**

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. CONGRESSIONAL CONSENT.**

The Congress consents to the Vermont-New Hampshire Interstate Public Water Supply Compact entered into between the States of Vermont and New Hampshire. The compact reads substantially as follows:

**“VERMONT-NEW HAMPSHIRE INTERSTATE  
PUBLIC WATER SUPPLY COMPACT**

**“ARTICLE I**

**“GENERAL PROVISIONS**

“(a) STATEMENT OF POLICY.—It is recognized that in certain cases municipalities in Vermont and New Hampshire may, in order to avoid duplication of cost and effort, and in

order to take advantage of economies of scale, find it necessary or advisable to enter into agreements whereby joint public water supply facilities are erected and maintained. The States of Vermont and New Hampshire recognize the value of and need for such agreements, and adopt this compact in order to authorize their establishment.

“(b) REQUIREMENT OF CONGRESSIONAL APPROVAL.—This compact shall not become effective until approved by the United States Congress.

**“(c) DEFINITIONS.—**

“(1) The term ‘public water supply facilities’ shall mean publicly owned water supply sources, storage, treatment, transmission and distribution facilities, and ancillary facilities regardless of whether or not the same qualify for Federal or State construction grants-in-aid.

“(2) The term ‘municipalities’ shall mean cities, towns, village districts, or other incorporated units of local government possessing authority to construct, maintain, and operate public water supply facilities and to raise revenue therefore by bonding and taxation, which may legally impose and collect user charges and impose and enforce regulatory control upon users of public water supply facilities.

“(3) The term ‘water supply agency’ shall mean the agencies within Vermont and New Hampshire possessing regulating authority over the construction, maintenance, and operation of public water supply facilities and the administration of grants-in-aid from their respective State for the construction of such facilities.

“(4) The term ‘governing body’ shall mean the legislative body of the municipality, including, in the case of a town, the selectmen or town meeting, and, in the case of a city, the city council, or the board of mayor and aldermen or any similar body in any community not inconsistent with the intent of this definition.

**“ARTICLE II**

**“PROCEDURES AND CONDITIONS GOVERNING  
INTERGOVERNMENTAL AGREEMENTS**

“(a) COOPERATIVE AGREEMENTS AUTHORIZED.—Any two or more municipalities, one or more located in New Hampshire and one or more located in Vermont, may enter into cooperative agreements for the construction, maintenance, and operation of public water supply facilities serving all the municipalities who are parties thereto.

“(b) APPROVAL OF AGREEMENTS.—Any agreement entered into under this compact shall, prior to becoming effective, be approved by the water supply agency of each State, and shall be in a form established jointly by said agencies of both States.

“(c) METHOD OF ADOPTING AGREEMENTS.—Agreements shall be adopted by the governing body of each municipality in accordance with statutory procedures for the adoption of interlocal agreements between municipalities within each State; provided, that before a Vermont municipality may enter into such agreement, the proposed agreement shall be approved by the voters.

“(d) REVIEW AND APPROVAL OF PLANS.—The water supply agency of the State in which any part of a public water supply facility which is proposed under an agreement pursuant to this compact is proposed to be or is located, is hereby authorized and required, to the extent such authority exists under its State law, to review and approve or disapprove all reports, designs, plans, and other engineering documents required to apply for Federal grants-in-aid or grants-in-aid from said agency's State, and to supervise and regulate the planning, design, construction, maintenance, and operation of said part of the facility.

“(e) FEDERAL GRANTS AND FINANCING.—(1) Application for Federal grants-in-aid for the