

Starr's Hubbell indictment: the Olson Salon in action

by Edward Spannaus

In a purely vindictive and retaliatory move, Whitewater prosecutor Kenneth Starr has again indicted former Associate Attorney General Webster Hubbell, plus Hubbell's wife, Suzy, his accountant, and his lawyer.

Hubbell immediately charged that the new indictment was brought for the sole purpose of pressuring him to lie about the President. "I will not do so, and my wife would not want me to do so," Hubbell declared. "I want you to know, the Office of Independent Counsel can indict my dog, they can indict my cat, but I'm not going to lie about the President. I'm not going to lie about the First Lady or anybody else."

The Hubbell indictment is a case study in the abusive prosecutorial methods used by Starr's team of career Justice Department prosecutors. And it is also an illustration of the workings of the "Olson Salon," the close circle of friends of Starr and Theodore Olson who work as a "private" adjunct to Starr's official investigation. As *EIR* reported on March 13, Olson and his wife, Barbara, host a regular gathering of friends at their secluded Great Falls, Virginia home, which includes Starr, *American Spectator* editor Emmett Tyrrell Jr., *Wall Street Journal* editor Robert Bartley, Supreme Court Justice Clarence Thomas, and others. Barbara Olson is chief counsel to Rep. Dan Burton's (R-Ind.) House Government Oversight and Reform Committee, which is investigating Democratic campaign fundraising, focussing on alleged Chinese donations to the 1996 Clinton re-election campaign claimed to have been funnelled through Lippo Group of Indonesia, and others.

A stepping stone

As a former law partner of Hillary Clinton, and a close friend of both Bill and Hillary Clinton, Hubbell was in the target sights of the "Get Clinton" crowd from the beginning. The *Wall Street Journal* editorial page relentlessly went after

Hubbell, beginning with the first in its "Who Is Webster Hubbell?" series on March 2, 1993—around the case of Rep. Harold Ford (D-Tenn.)—and it continued the barrage with a "Who Was Webster Hubbell?" series, after Hubbell's resignation from the Justice Department in March 1994.

There was also the notorious *Journal* editorial "FBI Director Rose?" attacking the "Rose clique" from the Rose law firm, featuring attacks on Hillary Clinton, Vincent Foster, Hubbell, and William Kennedy III, a deputy White House counsel. Less than two weeks after this, Foster killed himself; the note found in his briefcase cited the *Wall Street Journal*, saying: "The *WSJ* editors lie without consequence."

As a way of putting pressure on Hubbell, Starr's office, led by Starr's top deputy, Hickman Ewing, prosecuted Hubbell in 1994 for an unrelated matter; in late 1994, Hubbell pled guilty to stealing money from his law firm by padding expense records, and to evading taxes by not reporting that money as income. This was widely seen at the time as an effort by Starr to force Hubbell's cooperation around Starr's targetting of Hillary Clinton, since Hubbell not only worked very closely with Mrs. Clinton and Vincent Foster at the Rose law firm, but he was involved during the 1992 campaign in gathering up the law firm's records concerning Mrs. Clinton's work related to the Whitewater transactions.

Hubbell apparently never gave Starr's office anything they could use. While he was in prison, he was brought out to testify both before Congressional committees, and in front of Starr's Little Rock, Arkansas grand jury. Starr's office was, by late 1996, pursuing a theory that the hundreds of thousands of dollars which Hubbell had obtained in consulting fees after resigning from the Justice Department was actually "hush money" arranged by the White House. Starr, and the news media, were particularly focussed on a \$250,000 consulting contract which Hubbell had with the Lippo Group, whose

U.S. operations are based in Arkansas.

The pressure continued, and when Hubbell was released from prison in February 1997, he declared that he would no longer cooperate with the Whitewater prosecutors. "I have spent an extraordinary amount of time cooperating with investigations," Hubbell said in a statement at the time. "My answers did not always please the investigators, but they were always truthful. That cooperation did not benefit me at all. I was subjected only to further investigations. There is no apparent purpose in continuing down this path."

While Starr's grand jury in Little Rock is ostensibly investigating Whitewater-related financial deals, Starr's Washington grand jury is said to be trying to make an obstruction of justice case against President Clinton, Mrs. Clinton, and their circle of friends and associates. This is the pretext for the entire "sexgate" operation around Monica Lewinsky et al. Just as the President's friend Vernon Jordan is being accused of trying to get Lewinsky a job to keep her quiet, Jordan also reportedly helped Hubbell out. Hubbell is clearly seen by Starr's office as a stepping-stone to get Vernon Jordan, and former U.S. Trade Representative Mickey Kantor—both of whom helped Hubbell obtain jobs in 1994.

In February 1998, the *American Spectator*, whose editor Emmett Tyrrell is a regular participant in the "Olson Salon," published a cover feature on Hubbell which emphasized Hubbell's work in the Rose law firm with Hillary Clinton and Vincent Foster, and the firm's links to the Lippo Group and its owners, the Riady family. The article was rather prescient: It predicted that Hubbell would probably be indicted again. The *American Spectator* was not alone in this; much of the news media has been the recipient of leaks from Starr's office in the past few months, predicting indictments of Hubbell, his wife, his lawyer, and his accountant.

To add to the pressure, Representative Burton announced that he would make public the tape recordings of telephone conversations between Hubbell and his wife, while Hubbell was in Federal prison. During the week prior to the indictment, Burton's committee also released detailed information about Hubbell's consulting payments during 1994—with much of the Burton data being the same as what appeared in Starr's indictment one week later.

The April 30 indictment charged Hubbell and the other defendants with conspiracy to violate the IRS laws through impairing and impeding the IRS, evading taxes, and mail fraud. Hubbell's lawyer John Niels said that Starr's office had brought "a very rare type of tax charge" against Hubbell, one that "would not be brought against an ordinary taxpayer" by the Department of Justice. A statement issued by Niels's office elaborated this point, saying that Hubbell had acknowledged to the IRS that he owed taxes, that he had been unable to pay them, and that under existing DOJ prosecutorial guidelines, the failure to pay taxes does not constitute tax evasion. But this did not stop Starr and his friends, in their quest to "get" President Clinton at any cost.

Clinton slaps down 'clean needles' ploy

by Jeffrey Steinberg

President Clinton delivered a significant defeat to mega-speculator George Soros on April 20, when he announced that he was extending the nine-year ban on Federal funding of needle-exchange programs. Such programs exist in 110 cities in 22 states, providing "clean" disposable hypodermic needles to heroin addicts, ostensibly to decrease the spread of the HIV virus and other blood-borne diseases among intravenous drug users who share their needles. In recent years, Soros, who is the largest bankroller of the drug legalization movement in the world today, has poured substantial amounts of tax-free money into the needle-exchange programs, through his Open Society Fund, and through the Drug Policy Foundation, an organization dedicated to the legalization of psychotropic drugs.

Within hours of President Clinton's announcement of the extension of the ban of Federal funding for the needle exchanges, Soros announced that he was creating a \$1 million matching fund, to encourage the expansion of the free needle programs by state and local governments. Sources close to the Clinton White House have told *EIR* that, had President Clinton lifted the ban on Federal funding, as much as \$600 million in taxpayers' money could have been funneled into the distribution of hypodermic needles. They characterized Soros's announcement as a defensive move, highlighting the fact that his dope legalization cause had suffered a substantial setback.

The President's decision to extend the ban was not a foregone conclusion. Up until the last moment, supporters of the scheme had expected him to lift the ban, based on the fact that the program had the support of Vice President Al Gore and Health and Human Services Secretary Donna Shalala. Their support was based on a number of dubious studies of the results of needle-exchange programs in allegedly reducing the spread of HIV, and an intensive lobbying effort by homosexual rights organizations, AIDS activists, and Soros's drug lobby. The Soros apparatus is notorious for producing slick "medical" studies, prepared by doctors and biomedical researchers on Soros's payroll, which attempt to give a veneer of "objectivity" to their pro-dope-legalization propaganda.

Indeed, days before the President made his announcement, Shalala and some White House staff had drafted a press release, and scheduled a press conference, where it was expected that they would announce the President's lifting of the ban.