

NATION

Reno urged to probe possible donation-export control link

Counsel continues probe of Ickes over contribution

By Jerry Seper
THE WASHINGTON TIMES

An investigation by the Office of Special Counsel is continuing into accusations that former White House Deputy Chief of Staff Harold Ickes improperly sought a campaign contribution during the 1996 presidential race.

The probe, begun in February, centers on concerns that Mr. Ickes solicited a donation in October 1996 on a request by President Clinton after a \$1,500-a-head Florida fund-raiser that he follow up on a guest's offer of a \$5 million contribution for the Democratic National Committee.

Spokesman Louis Vega confirmed yesterday that the Ickes probe continues but did not elaborate. The office investigates accusations that government employees participated in partisan politics on the job. A finding that Mr. Ickes engaged in an improper solicitation could result in a felony prosecution.

Mr. Ickes, now a Washington lawyer, has not been available for comment. White House Special Associate Counsel Lanny J. Davis has said Mr. Ickes did not improperly solicit funds but only responded to questions from a potential contributor.

The former White House official, who made public more than 1,100 pages of campaign-related documents earlier this year, also is under investigation by the Justice Department-FBI task force and the House Government Reform and Oversight Committee for his role as a major fund-raiser for Mr. Clinton and the DNC.

Investigators want to know

what role Mr. Ickes played in a White House plan to raise more than \$50 million for Mr. Clinton's re-election, including offers of overnight stays in the Lincoln Bedroom, rides on Air Force One, invitations for golf with the president and the presence of Cabinet members at fund-raisers.

The task force and the House committee are trying to determine if any of the White House fund-raising schemes were illegal and, if so, what Mr. Ickes did in implementing them, the sources said.

The Office of Special Counsel probe stems from an Oct. 22 fund-raiser in which Florida businessman R. Warren Meddoff handed Mr. Clinton his business card with a note on the back: "My associate has \$5 million he is prepared to donate to the DNC." The president reportedly told him a "member of my staff" would get back to him.

That staff member was Mr. Ickes, who called Mr. Meddoff a few days later and faxed a memo explaining how his associate, William R. Morgan, Texas financial speculator, could donate the money to tax-exempt groups. Mr. Meddoff said Mr. Morgan wanted no special favors in exchange for the donation but was looking for a favorable tax benefit.

In an Oct. 30 call from Air Force One, Mr. Ickes asked Mr. Meddoff if Mr. Morgan could make \$1 million available in the next day or two. The next day, Mr. Meddoff received a two-page fax saying it would be "greatly appreciated" if \$540,000 was wired to the bank accounts of three tax-exempt groups sympathetic to



Harold Ickes

Mr. Ickes included the bank account numbers to which the funds should be wired.

Democrats and another \$500,000 be sent to the DNC.

In the fax, Mr. Ickes included the bank-account numbers to which the funds should be wired. Mr. Meddoff said Mr. Ickes then said he erred in sending the fax and suggested he shred it. Mr. Ickes denied using the word "shred," saying he may have described the memo as "inoperative." The money was never sent.

Mr. Meddoff went to the fund-raiser to ask that Cuban relief flights be resumed. He said Mr. Clinton then talked briefly about the flights. Later that day, the flights resumed, although the White House said it was a coincidence.

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Two House members have asked the Justice Department to expand its probe of illegal campaign donations in the 1996 presidential election to include possible links between contributions from donors and a loosening of export controls on sensitive equipment and material to China.

Republican Rep. Henry J. Hyde, chairman of the House Judiciary Committee, said in a letter to Attorney General Janet Reno that President Clinton's export policy had benefited China's "military and intelligence services." The letter also was signed by fellow GOP Rep. Tillie K. Fowler, a member of the House National Security Committee.

Mrs. Fowler, of Florida, and Mr. Hyde, of Illinois, asked that the Justice Department's task force investigate the sale of sophisticated machine tools, supercomputers, advanced warplane technology and telecommunications equipment to the communist nation.

"The administration's pattern of decontrol and failure to enforce existing law with regard to both export procedures and punitive sanctions has substantially benefited the military goals of the [People's Republic of China] and presented serious new challenges to the security interests of the United States," they said.

A Justice Department probe has targeted campaign-finance abuses, including foreign-linked donations during the 1996 campaign. It has focused, in part, on Democratic supporters John Huang, a former Lippo Group executive, Commerce Department official and Democratic National Committee fund-raiser; and Charles Yah Lin Trie, a Little Rock, Ark., businessman. Both raised possibly illegal donations for Democrats.

Justice spokesman Bert Brandenburg said yesterday the letter would be reviewed by the department, but he did not elaborate.

In their May 22 letter, Mrs. Fowler and Mr. Hyde said several cases raised "serious questions" on whether improper outside in-



Rep. Henry J. Hyde



Rep. Tillie K. Fowler

fluence had been brought to bear on administration officials, including Mr. Clinton, and if that influence had resulted in decisions and policies on defense-related technologies incompatible with U.S. security interests.

They cited several examples of what Mrs. Fowler and Mr. Hyde described as possible national security threats, including:

- The sale of a nearly complete missile and strategic-bomber factory to China despite opposition from the Defense Department, which said it would be diverted from civilian to military use.

The letter said once the diversion was established, "political appointees" at Commerce and the Defense departments "approved new licenses with different end-use conditions and destinations rather than expressing displeasure with the Chinese."

- The sale of 46 supercomputers over the past 15 months, which Mrs. Fowler and Mr. Hyde said "may have given the PRC more supercomputer capacity than the entire Department of Defense."

The letter said the supercomputers could be used for the design of nuclear weapons, sophisticated weather forecasting, studies cru-

cial for the efficient use of chemical and biological weapons, creating and breaking codes, miniaturizing nuclear weapons, and finding submarines.

- "Hot-section" technology allowing fighter and bomber aircraft to fly thousands of hours longer than those produced by less sophisticated manufacturers. They said the exports occurred when the administration changed the jurisdiction over the technology from the State Department, "which has guarded it jealously," to the Commerce Department, which has sought to make it easier for foreign countries to buy U.S. products and technology.

- Sophisticated telecommunications transferred to a U.S.-China joint venture, in which the Chinese partner was part of the Chinese military. The letter said the equipment included fiber-optic communications equipment used for high-speed, secure communications over long distances and advanced encryption software.

"Given China's willingness to sell weapons and technology to the highest bidder — including the rogue nations such as Iran, Iraq and Libya — these transfers could represent a profound threat to U.S. military personnel," the two lawmakers said.