



## Kiss 'n' Tell Cousins

Nobody was more surprised than Clinton cousin **Catherine Cornelius** by a recent telephone call from the White House Counsel's Office. Someone was checking on a rumor circulating around administration hallways that Cornelius was having an affair with the president. Cornelius furiously denied the charge, and then set about determining the source of the rumor. In a private Oval Office *tête-à-tête*, Cornelius told Bill about the phone call—and then revealed that she'd discovered that the person circulating the phony gossip was none other than deposed Clinton staffer **David Watkins**, who lost his gig after a notorious two-helicopter golf outing in May



1994. As it happens, Watkins recently quit his job at the Callaway golf-equipment company of Carlsbad, California, a position he'd landed with the assistance of the Prez. When Clinton heard Watkins was repaying his kindness by spreading the rumor, though, he exploded. "That f---ing Watkins!" Clinton screamed. "And after I got him that f---ing golf job!"

Even though they're not kissin' cousins, sources close to the Oval Office say that Cornelius was on the horn with Bill throughout the recent trial of railroaded former Travel Office director

**Billy Dale**. Clinton apparently made many calls to her, as well as to Hollywood producer **Harry Thomason**, that other instigator of the Travelgate debacle. Although Dale was acquitted of all charges, the ordeal left him heavily in debt. In December he was forced to refinance the mortgage on his house.

## Cross-Dressers

In late November **Al Gore** and wife **Tipper** confirmed that they ran up an \$8,000 tab to have Walt Disney makeup artists do them up as "Beauty and the Beast" for the Gores' annual Hal-

loween spectacle. More horrifying than their costumes was Al's original concept: He would go as Beauty, and Tipper would dress up as the Beast. During the initial

makeup phase, advisers persuaded the Veep that from a public-relations standpoint, a cross-dressing Second Couple might not play well in Middle America with an election year coming up.

## Dynamic Scare

All eyes on Capitol Hill have been on Republican-appointed Congressional Budget Office Director **June O'Neill** since her hand-picked staff released a seven-year economic forecast that initially placed the Clinton administration's last-ditch budget proposal in a positive light. O'Neill was



not the first choice of fiscal conservatives to head CBO—many wanted **Bruce Bartlett**, currently with the Dallas-based National Center for Policy Analysis. But Speaker Gingrich persuaded hardliners such as Majority Leader **Dick Armey** and budget chief **John Kasich** that O'Neill—then with the Urban Institute—would incorporate supply-side favorites such as dynamic scoring in CBO analysis, while at the same time providing a moderate front to appease Democrats and the press corps. It hasn't exactly worked out that way. After the budget wrangle is over, it's expected that Gingrich will placate conservatives and float Bartlett's name for a new position at CBO—Legislative Director.

## Coats Is Clear

Look for Senate Republicans to push hard to have conservative Hoosier **Dan Coats** leap frog over ranking Vermont's **Jim Jeffords** for the chairmanship of the Labor

and Human Resources Committee. This, after Jeffords—in line to replace the retiring **Nancy Kassebaum**—privately took steps to throw a wrench into the conference committee report on welfare-reform legislation by threatening to withhold his support from the final bill if school-lunch-program funds were block-granted to states. One wonders,

though, who was advising Jeffords in his delay tactics. Doesn't **Sheila Burke** work for Bob Dole?

## Notes From Underground

The Senate Whitewater Committee says it will use the **William Kennedy** notes as a "road map" for future investigations. Here's one trail to follow. The White House is saying that the seven lawyers in that November 5, 1993 meeting were just rehashing what they read in the papers, and that the attorneys didn't know anything more than what the *Washington Post* had told them about the RTC criminal referrals on Madison Guaranty that fingered the Clintons. No inside leaks from ongoing investigations. No impropriety. No smoking gun.

But there is a road map to those criminal referrals, and it sneaked into the public domain last summer in a mass of documents released by the House Banking Com-

mittee. In an attempt to curb the zeal of the Kansas City RTC investigators, higher-ups required their referrals to be reviewed by a more pliable branch of the agency. This produced a review of Criminal Referral 0196 and its charge: that loans from Madison Guaranty were misused to provide four \$3,000 checks to Bill Clinton at the April 4, 1985 fundraiser at the S&L's headquarters. The RTC official who reviewed the referral asked if the \$3,000 checks, which exceeded the legal limit, might not actually have covered two contributions, as for a man and wife, so that each would have given the legal sum of \$1,500. This supposedly confidential memo was written on October 7, 1993, and wasn't made public for another 22 months.

But the Kennedy notes show that the lawyers were discussing the Clinton campaign checks on November 5 along the lines suggested in both the 0196 referral and its inter-agency review. The attorneys expressed concern about donations siphoned off from a loan to Little Rock businessman **Charles Peacock** that was cited in the referral. And they asked if each check might have covered two \$1,500 donations, just as the RTC reviewer had suggested. This is more detail than any newspaper had on this matter at the time.

In other words, Kennedy's notes indicate unmistakably that Clinton's troubleshooters must have had access both to the criminal referrals

and the memo that reviewed them. So there was a leak in the RTC bureaucracy, after all—but it went to the White House, not the press. More to come.

## Rubin, It's You

Fed up by Treasury Secretary **Robert Rubin's** arrogance toward the Hill during the budget impasse, House Republicans from the leadership on down are making plans to introduce an



impeachment petition to remove him from the cabinet. They've suddenly recalled how angry they are over the still unanswered

questions regarding Rubin's personal financial stake in the Mexican bailout he promoted. Embattled Energy Secretary **Hazel O'Leary** is second on the Republican hit list, and other administration figures are likely to be targeted as well, now that Republicans have decided to play hardball with the president.

## Brown Town

When former California state assembly speaker **Willie Brown** was elected mayor of San Francisco on December 19, the newspaper headlines read: "While Country Moves Right, S.F. Moves Left." Sure enough, in a matter of days he:

- Requested that former President **Jimmy Carter** swear him in, and compiled a guest list that included Hillary Clinton, Leon Panetta, Ted

Turner and Jane Fonda, Oliver Stone, Mikhail Gorbachev (an early Brown endorser), Barbara Boxer, Angela Davis, and longtime San Francisco favorite Fidel Castro.

- Dumped his campaign sweetheart, a 40-ish Bay Area attorney. She'd worked wonders for him on the election trail, making him appear more mature by keeping his eye from wandering. Now she is cutting into his social life.

- Announced his mayoral office would be completely remodeled, including the addition of "graffiti"—apparently an attempt to show that the high-rolling Brown is "down" with his less-well-heeled constituents.

Sources close to his transition staff say Brown's attorneys are preparing documents to create a mayoral discretionary fund made up of "donations" from "friends of the mayor's office," which would be used by Brown for "expenses"—such as clothing, car repairs, meals, and travel. Brown has already described the mayor's salary of \$175,000 as much too meager for a man of his tastes to live on.

Meanwhile, the new San Francisco charter approved by voters last fall gives hizzonah unprecedented power. Brown will control the city's



\$2.8 billion budget, have appointment power over all city department chiefs, and be allowed to create new departments and responsibilities without the approval of the Board of Supervisors.

## Mount Hillary

On her recent Asian tour, first lady Hillary Rodham Clinton told New Zealand television that she had been named for famed mountaineer **Sir Edmund Hillary**. Her parents apparently had unusual foresight. In 1947, the year of her birth, Sir Edmund was an obscure beekeeper. He didn't conquer Mount Everest, and achieve worldwide fame, until 1953.

## Hit Man

In Martin Scorsese's new mafia film, *Casino*, co-star **Joe Pesci** plays a character who betrays his former superior and orders a contract on him. The Prowler was stopped in his tracks when, after a recent Saturday matinee showing of the movie at the Embassy theater, just above Dupont Circle, he spotted Mr. and Mrs. **Lloyd Cutler** emerging from the theater. Making his departure from friends, the normally retiring former White House counsel declared spiritedly, "Well, we're gonna go shoot up a few places." He was last seen headed east on Florida Avenue. ☛

by R. Emmett Tyrrell, Jr.

# Quick Draw McGraws



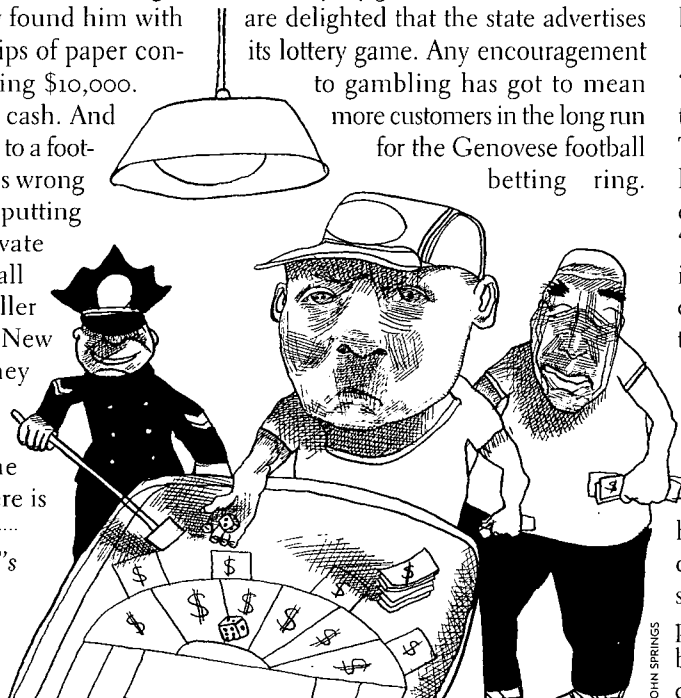
Taxpayers of New York, rejoice! The law enforcement agencies of your great state, in league with educators, gamblers, and a couple of shrinks, are once again providing you with plenty of entertainment value for every nickel you cough up to live in the Empire State. Recently a fourth-grade teacher (male), celebrated as inspirational in the classroom, was hauled off to the slammer for participating in a gambling ring. In America state and local government can conduct gambling on a vast scale, but not the Genovese family or the Bruno Scarfo crime family. Our fourth-grade Socrates allegedly had links to both.

New York's Westchester County District Attorney is certainly not anti-family. Yet she is vexed that when police arrived at the alleged gambler's home, sledgehammer in hand, they found him with gambling slips. The slips of paper contained forty bets totaling \$10,000. He also had \$8,000 in cash. And the television was tuned to a football game. Well, what is wrong with sports enthusiasts putting down money in private transactions over football games? Few people holler when large numbers of New Yorkers put their money down on one of the state lottery's gaming ventures. I suppose the concern of the state here is

that when one loses to the Genovese family, one pays up or bad things happen. Furthermore, gamblers of the Genovese variety might be tempted to approach athletes with a get-rich quick scheme involving missing a few blocks or fumbling a few balls or otherwise adversely affecting a game's outcome.

The gambling lobby in New York would rather have gambling regulated by the state. It promises revenue from state-regulated casinos. It promises still more revenue when the state controls the gambling, for instance, New York's new casino-style game, "Quick Draw." In an era in which the citizenry has been taxed to the outer limits of the tolerable, state lotteries and state-regulated casinos can pick up the tab for still more government spending. Thus states with lotteries advertise to encourage still more people to gamble. The Genovese family is restrained from advertising, but not the New York state lottery.

Actually my guess is that the Genoveses are delighted that the state advertises its lottery game. Any encouragement to gambling has got to mean more customers in the long run for the Genovese football betting ring.



Perhaps the day will come when this distinguished family can set up betting rings for the truly affluent who follow tennis and polo. Now you know there are some tennis fans whose interest in the game would only be heightened if they could put a little wager on Pete Sampras's performance on a given day, say \$1,000, perhaps more.

As I say, this story is abundant with the nonsense of our age. After their gifted teacher was arrested, the twenty fourth-graders suddenly bereft of his presence were rounded up by the school's "crisis intervention" team. Composed of at least one psychologist and a social worker, the team is trained to cope with what the *New York Times* report of the arrest called "the kind of unplanned lesson that has become more common as arrests of teachers have made the news." Basically, the team tells the students their teacher is "innocent until proven guilty." If found guilty the team will, according to its psychologist, stress that "it was a mistake in judgment on his part."

But how can the adroit members of this "crisis intervention" team come down even that hard on a man who merely gambled? The governor and other state luminaries lure the citizenry to gamble every day. Several months ago, after the state unveiled "Quick Draw," it began placing the game in more than 2,000 bars, bowling alleys, delis, and restaurants. New York state lottery officials purr that they raise over a billion dollars a year for education from such officially sanctioned gambling.

What the state's gambling officials do not point out is that, for many, gambling is an addiction like drugs or alcohol. It has ruined families, imperiled and destroyed children, bankrupted thousands, and opened vast opportunities for people like the Genoveses. Gambling is a breeding swamp for crime. Sure, some can enjoy it in moderation just as many

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