

Starr drops threat to retry McDougal, Steele

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Independent Counsel Kenneth Starr announced Tuesday that he would not seek to retry Susan McDougal and Julie Hiatt Steele, two women whom Starr failed to convict earlier this spring for allegedly obstructing his investigation of President Bill Clinton. The special prosecutor's decision comes as political pressure is building on him to shut down the five-year, \$40 million legal investigation that failed to remove Clinton from office.

Starr's decision leaves only one defendant left resulting from his investigation, Webster Hubbell, a former Justice Department official and friend of the Clintons who is being charged with tax evasion and false testimony.

The outcome of the two trials was a debacle for Starr. A Little Rock, Arkansas jury in April acquitted Susan McDougal on an obstruction charge and failed to reach a verdict on two contempt counts. The proceeding turned into a virtual trial of Starr's office, with McDougal's attorney presenting extensive evidence about the intimidation of witnesses and other prosecutorial abuse. On the stand McDougal said she refused to answer questions put by Starr in 1996 because the special prosecutor insisted she lie in order to implicate Bill and Hillary Clinton in the loan scheme. Other witnesses, including Julie Hiatt Steele and Steve Smith, an Arkansas lawyer and former Clinton aide, testified about being bullied by Starr's office.

Interviews conducted with jurors after the trial indicated they sided with McDougal because of their contempt for Starr's witch-hunt against the president and his undemocratic methods. Starr alluded to the admiration for McDougal in the Arkansas capital in explaining his reasons for not seeking a retrial. In a letter to the federal judge Starr cited the "near impossibility of seating an impartial jury" in Little Rock.

McDougal, who had already served 18 months in prison, said, "I'm glad its over, but it should have always been over. It never should have happened. The taxpayers should be given their [money] back, and I should be given my life back." Her Los Angeles-based attorney, Mark Geragos, added, "I love Little Rock, and I would love to have gone back there and had some more fun with Starr. But I think somebody gave him some smelling salts and he came to his senses."

On May 7 Starr's case against Julie Hiatt Steele met a similar fate. Steele's refusal to corroborate the allegations of her ex-friend Kathleen Willey, a former White House volunteer who claimed President Clinton made unwanted sexual advances towards her in 1993, foiled Starr's attempt to include these claims in his impeachment referral to the House of Representatives. After failing to break Steele through threats and intimidation Starr indicted her on four counts of obstruction and making false statements, charges that threatened the 52-year-old single mother with 35 years in prison and a \$1 million fine.

During the trial, however, Steele's attorneys demonstrated that Willey had a record of lying. Although Willey testified that she had sworn to tell Starr's office the truth, she conceded during cross-examination that she had been granted a second immunity from prosecution because she had lied to Starr's investigators previously. Having discredited the Independent Counsel's key witness, Steele's attorneys rested their case without calling any defense witnesses. On May 7 the Alexandria, Virginia jury deadlocked on the charges, forcing the federal judge to declare a mistrial.

Explaining his reasons for not attempting to retry the case, Starr defended his vindictive prosecution of Steele, but lamented that the jury had not bitten the bait. "The case was appropriate and proper to indict and present to a trial jury, but the jury's inability to reach a

unanimous verdict is a reality that we have taken seriously and respectfully.” His office said concerns over “resource allocation” led to the decision not to seek a retrial.

The McDougal-Steele cases exposed the character of Starr’s entire investigation, from the time he was appointed to probe the Whitewater land deal in 1994 to the impeachment proceedings in Congress. Starr’s office intimidated witnesses, concocted evidence and trampled on democratic rights to set and spring the legal trap against Clinton. Behind Starr stood extreme right-wing forces with vast financial resources, and the news media which aided and abetted his efforts.

Conscious of the deep-seated popular opposition to these methods, major newspapers, like the *New York Times* and *Washington Post*, which enthusiastically supported the impeachment drive against Clinton, have indicated that Starr is exhausting his credibility. In recent weeks several of Starr’s key deputies have resigned, and the Independent Counsel has hinted that he might be willing to turn over some segments of his investigation to the Justice Department.

If political conditions change, however, Starr has reserved the ability to prosecute Clinton, either before or after the president leaves office, on charges related to the Monica Lewinsky investigation.



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