

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 12, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz

SUBJECT: Bert Lance Matter

Following is a supplementary report regarding this matter.

I am continuing to follow it carefully and review information which is forthcoming from the Comptroller's reports, the Senate Committee hearings and the news media, as well as any other sources which I might have available.

Attached is a chronology of pertinent events between mid-November and the confirmation of Bert Lance. This is particularly important because of the questions being raised at this time relative to how much knowledge either you or members of your staff had concerning Bert's and the Calhoun Bank's problems with the Comptroller and the Justice Department, whether or not information was improperly withheld from the Senate Committee when it considered the confirmation, and the judgement exercise in proceeding with the nomination of Bert.

Concerning these questions, I am attaching the following:

1. A chronology of events during this period.
2. The proposed press release referred to on December 1 in the chronology.
3. A memorandum which I gave to Jody several days ago summarizing relevant matters contained in the FBI report which was received prior to the nomination.
4. An excerpt of the testimony of Bert Lance at the Senate confirmation hearings regarding the Calhoun National Bank Comptroller matters and the criminal matter.
5. An article in the Washington Post of September 11 by Edward Walsh.

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CHRONOLOGY OF EVENTS RELATING TO BERT LANCE IN PRE-NOMINATION AND PRE-CONFIRMATION MATTERS, CONCERNING THE CALHOUN NATIONAL BANK OVERDRAFT QUESTIONS AND AGREEMENT WITH THE COMPTROLLER, AND CONCERNING THE REFERRAL TO THE JUSTICE DEPARTMENT FOR CRIMINAL INVESTIGATION

(On or about) November 15, 1976 -- Discussion in Plains between Bert Lance and Jimmy Carter.

November 22, 1976 -- Lance visit to regional Comptroller Tarleton's office in Atlanta. Tarleton's rescision of the 1975 agreement between the Calhoun Bank and the Comptroller.

November 24, 1976 -- Transition press office in Plains completed preparation of a press release which relates to loans by the National Bank of Georgia to the Carter Warehouse. Statement released by the press office on the same date.

December 1, 1976 -- Several phone discussions between Acting Comptroller Bloom in Washington and Lance and his attorney, Sidney Smith, in Atlanta regarding approval by Lance (as required by law) of a press release drafted by Bloom concerning the Calhoun National Bank-Comptroller Matter. One telephone conference involving the same persons and also John Moore, listening on behalf of the Transition team.

December 1, 1976 -- Phone call from Moore (and Lance) in Atlanta to Jimmy Carter in Plains advising him of this press release. Moore believes that he actually read the text of it to Jimmy Carter. A copy of the proposed press release is attached.

December 1, 1976 -- Sidney Smith and Lance apparently learned for the first time that the overdraft matter concerning the Calhoun National Bank had been referred to the Justice Department several months earlier for criminal investigation. John Moore learned of this referral at that time also. Sidney Smith as attorney for Lance telephoned the United States District Attorney Stokes in Atlanta to inquire as to the status of the criminal referral file. Stokes said that he would check it and call back.

December 2, 1976 -- Stokes called Smith back and advised that the file probably should have been closed in September but had not been, but also that it was closed on December 2 by Stokes.

December 3, 1976 (1:00 p.m.) -- The FBI telephoned Matt Coffey, in the Personnel office of the Transition in Washington, and immediately followed this with a written memorandum concerning the telephone call, advising that there had been a criminal referral matter involving Bert Lance but that it had been terminated on December 2, 1976, by United States Attorney Stokes in Atlanta. Matt Coffey advised Jack Watson of this information. They promptly requested the usual full field investigation from the FBI. (Copy attached)

December 3, 1976 (p.m.) -- Jimmy Carter announced in Plains his intention to appoint Bert Lance and Cyrus Vance. Both of them were present.

(Approximately) January 11, 1977 -- The FBI report dated January 6, 1977 was delivered to Bob Lipshutz in the Transition office in Washington.

January 11-19 '77-- The FBI report was read and reviewed by Bob Lipshutz, Hamilton Jordan, and Jody Powell.

(Approximately) January 15-18, 1977 -- Senate Committee hearings relating to confirmation of Bert Lance. Excerpts of his testimony concerning the Calhoun National Bank Comptroller and criminal matters is attached.