

Susan Rice — National Security Final Vetting Memorandum

I. Introduction

Lanny Breuer interviewed Susan Rice on Saturday, October 18, 2008 at the offices of Covington & Burling LLP in Washington, D.C. At the time of the interview, Rice was still completing her questionnaire, although she provided the questionnaire and documents the following week. Most of the materials relating to Rice's public statements regarding her views on national security issues are readily available. However, the transcripts of the Senate Foreign Relations Committee hearing on September 11, 1997 concerning Rice's nomination to be Assistant Secretary of State have not been published. Her 1990 doctoral dissertation, entitled "The Commonwealth Initiative in Zimbabwe, 1979-1980: Implications for International Peacekeeping," was not reviewed by the vetting team but may be publicly available in Oxford, England.

II. Comment on Public Vet

A small number of noteworthy points were not mentioned in the public vetting memorandum:

- Rice's parents divorced and her mother remarried Alfred Bradley Fitt in 1978. Fitt had served as an Assistant Secretary of Defense and as the only general counsel in the history of the Congressional Budget Office, a position he held for seventeen years.
- Rice has expressed the view that securing weapons of mass destruction is critical to U.S. national security, a view consistent with Obama's prioritization of the issue as a key foreign-policy goal.
- Rice also shares Obama's openness to holding diplomatic talks with all countries, including America's enemies, when it is in the United States' interest to do so. Her statements in this regard were not addressed in the "views on issues" section of the public-vetting memorandum.

III. Substantive Views & Writings

Rice has written extensively on the role America should play in Africa and the developing world. She has consistently advocated that the United States give more support (*e.g.*, aid, debt relief, military support) to developing nations in Africa and elsewhere, arguing that poverty creates vulnerability to extremist influences and that poor countries become breeding grounds for terrorists. She has written that "'nation-building' is an essential task for the United States." Her views suggest that she would be a strong advocate for vigorous U.S. engagement in and increased foreign aid to poor countries and failed/failing states. Relatedly, Rice has written in favor of "humanitarian intervention" to thwart or prevent atrocities abroad, arguing that such intervention serves the long-term U.S. interest.

Rice has also stated her view that the United States should reduce (if not eliminate) certain farm subsidies, which she believes have harmful "distortive" effects. Such farm subsidies have played a role in international trade discussions, but relate to a domestic issue that is politically controversial.

Rice has advocated negotiations with so-called "rogue" regimes, such as North Korea, to further U.S. objectives. Her writings have been critical of the Bush administration on this front.

Rice has also spoken in favor of increased representation of minorities in the foreign-policy apparatus of the United States.

IV. Financial Summary

Rice and her husband have significant financial holdings, largely held in the stocks of domestic and Canadian banks and large companies, and derived from the sale of a Canadian plywood company once owned by her husband's parents. Rice does not appear to play a significant role in connection with the management and decisions made regarding these holdings, but in her interview, Rice noted that at one point roughly five years ago, she and her husband had to amend several years of U.S. income tax filings because their accountant had not properly handled issues arising out of the foreign holdings.

V. Affiliations & Clients

Rice has been affiliated with the American Security Project, the Atlantic Council, the Freeman-Spogli Institute of International Studies, the Beauvoir School, the Trilateral Commission, the Bureau of National Affairs, the Partnership for Public Service, the U.S. Fund for UNICEF, the National Democratic Institute, Internews Network, Common Sense Media, the Lyndon B. Johnson School of Public Affairs, the Aspen Strategy Group, the Washington Institute of Foreign Affairs, and the Council on Foreign Relations. All of these entities were vetted for any problems during Rice's affiliation with them and nothing of note was found. Rice mentioned one issue that had begun to arise at the Beauvoir School shortly before she left the Board that might garner public attention, but she had no involvement and is not implicated in the issue.

Rice's significant stock holdings in domestic and Canadian banks and large companies may raise concerns of potential conflicts of interest if Rice assumes a high-ranking position within the U.S. government. One notable fact relating to Rice's financial holdings is the fact that she and her husband own between \$100,000 and \$250,000 in common stock of TransCanada Corporation. TransCanada has recently garnered media attention because it is the oil and gas entity that won the bid for the contract to build a 1,715 mile pipeline to bring natural gas from Alaska to the mainland United States. Governor Palin's selection of TransCanada for this contract has come under scrutiny for what the Associated Press has discovered was a suspicious selection process that favored a few companies, left out global energy giants, and resulted in an enormous subsidy from the state of Alaska although TransCanada had not secured proper financing for the project.

VI. Health, Family & Other Personal Issues

Based on the information provided, there are no significant health issues relating to Rice.

Rice is married to a Canadian citizen, her college sweetheart Ian Cameron. Her husband works for ABC News and is currently Executive Producer of "This Week with George Stephanopoulos." She has two children, John, age 11, and Hannah, almost six. Rice has two brothers-in-law, one who lives in California and one who lives in Canada, and a sister-in-law who lives in Canada. As a result, Rice makes frequent trips to Canada.

Rice's stepfather, Albert Fitt, had four children from his first marriage to Patricia Hewitt. His eldest daughter, Cate Fitt, was arrested in the late 1960s for protesting the Vietnam War, an event her mother later described as embarrassing, since Cate's father worked at the Pentagon. This event occurred long before Fitt was married to Rice's mother.

(Rice and her husband also employed a housekeeper for a number of years, and properly paid Social Security taxes for her. While Rice understood that the housekeeper had a work permit, it is not clear whether the permit specifically permitted her to work for Rice and her husband.)

VII. Controversies\Liabilities

Rice has not been involved in any major controversies and does not have any major liabilities. There are a small number of issues that are likely to come up in a confirmation setting.

- *Age and management experience:* Depending upon the position, Rice’s age and her limited management experience could be a potential liability in the confirmation process. Rice managed staffs as Senior Director for African Affairs and as Assistant Secretary of State for African Affairs (and manages a small staff at Brookings), but has not had experience managing a larger department, organization, or institution. Rice does have a reputation as a tough but fair manager, and some coverage has reported criticism of her for micromanagement.
- *Breadth of expertise:* Rice’s reputation and expertise remain centered on Africa, but she has worked over the past few years to broaden her credentials. Her experience as part of the Kerry and Obama campaigns and her work at the Brookings Institute have heightened her profile and given her a chance to demonstrate a broader command of foreign policy issues.
- *Role in connection with diplomacy with Sudan and Osama bin Laden:* As noted in the public vetting memorandum, a Vanity Fair story and other reports have suggested that the Clinton Administration did not adequately pursue diplomatic overtures from the Sudan relating to cooperation efforts on terrorism, and Rice would have been involved in administration decision-making about Sudan both at NSC and in the State Department. Rice denies that the Clinton Administration missed meaningful opportunities to cooperate with the Sudan and attributes the criticism to a small number of specific detractors. This dispute is addressed briefly in the notes to Chapter 4 of the 9/11 Commission’s Report.
- *Prior statements:* Rice has had a few minor gaffes that might come up in the confirmation process. First, as noted in the public vetting memorandum, Rice purportedly made a statement that could be construed as weighing political considerations when assessing whether to label the Rwanda situation “genocide.” Rice denies that this report is accurate. Separately, Rice’s comments about the 3 a.m. phone call are unlikely to create a confirmation issue.
- *Views on foreign aid, global poverty, and humanitarian intervention:* One of Rice’s principal national-security stances — the reduction of worldwide poverty — may raise concerns or face opposition in Congress (especially among Republicans). To fight poverty overseas, Rice has consistently advocated for increased foreign aid to developing nations and a more forceful role in nation-building (e.g., “‘nation-building’ is an essential task for the United States”; “We will have to pay the price, billions of billions, to help lift the peoples of Africa and other underdeveloped regions out of poverty and hopelessness”). In the current economic and political climate, critics may attack such an approach as fiscally reckless and unrealistic. (Indeed, Biden commented in the VP debate that “one thing we might have to slow down is a commitment we made to double foreign assistance.”)
- *Charles Taylor:* Liberian dictator Charles Taylor escaped from a Massachusetts prison in 1985, and in 1998 Massachusetts dropped charges relating to the escape, reportedly at the request of the State Department. Rice does not believe the State Department played a role.

- *Sierra Leone peace deal:* Rice played a role in the Clinton Administration's efforts to broker a peace deal in Sierra Leone that included amnesty and high-level positions for members of a brutal revolutionary group. Rice agrees that the deal, in hindsight, does not look good, but was necessary at the time to achieve a peaceful resolution. According to Rice, her personal role in connection with the peace deal was minimal.
- *Financial conflicts of interest:* Rice's numerous financial holdings could present potential conflict of interest issues that would need to be addressed if she had a major policy role in an Obama administration.
- *Family conflicts of interest:* The fact that Rice's husband currently works as executive producer of "This Week..." could create potential conflict of interest issues if she has a significant policy role in an Obama administration, although those would largely be issues that ABC News would have to address, and Rice indicated that she and her husband had discussed the possibility that steps might need to be taken to remove the conflict in the event that she receives such a position.
- *Foreign assets and connections:* Rice's foreign assets and the fact that her husband and his family are Canadian might come up in a confirmation setting for a foreign policy post, although it should not present an obstacle.

VIII. Conclusions

Rice would be a strong candidate for a senior national security position. She is smart, articulate, and confident, and she has a strong policy background and valuable experience. If nominated for a position that would require her to manage a large organization, her limited managerial experience may present a potential obstacle for confirmation, although such limitations been overcome in similar circumstances in the past. While there are a number of other issues that may arise in a confirmation setting, they do not appear to rise to the level of something that would present an obstacle to confirmation of her nomination.

- Appendix A: Public Vetting Memorandum
- Appendix B: Subject's Written Responses to Questionnaire (w/o attachments)
- Appendix C: Subject's Draft SF 86
- Appendix D: Subject's Draft SF 278