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Quick start to Julie Hiatt Steele's obstruction trial

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ALEXANDRIA, Virginia (AllPolitics, May 3) -- With the jury seated and opening arguments completed, the prosecution began to deliver its case against Julie Hiatt Steele -- the only person to be indicted and prosecuted in the scandal involving President Bill Clinton's affair with Monica Lewinsky.

In this story: After just one hour, a jury of seven women and five men was seated to hear the case. Steele faces three counts of obstruction of justice and one count of false statements.

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Steele is accused of obstructing Independent Counsel Ken Starr's investigation into the Lewinsky matter. The charges stem from Steele changing her story and stating under oath that her former friend, Kathleen Willey, never told her that Clinton made an unwanted sexual advance on Willey in the White House in 1993. Steele claims that Willey asked her to lie about the alleged incident.

In opening arguments, Starr's chief trial attorney David Barger told jurors he would prove Steele is lying. "She not only betrayed her friend, she betrayed the rule of law."

Steele's lawyer Nancy Luque countered, "Julie Hiatt Steele has committed no crime ... She just got in the way of a runaway train."



Julie Hiatt Steele

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AllPolitics' [in-depth look at the investigation](#) into the president's relationship with Monica Lewinsky.

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Her trial is expected to last one week. If convicted she could face up to 35 years in prison.

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First witnesses called

During his 30-minute opening, Barger outlined Willey's allegation that Clinton "groped" her while she was a White House volunteer.

Starr's prosecutor said Steele "betrayed a friend to make money" and to avoid challenging the president.

The prosecution's first witness was called after opening argument. Free-lancer Gregory Edward Mathieson, described how he helped Steele peddle a photograph of Willey with Clinton just after Newsweek wrote about the allegation. He said at one point, a British publication was interested in paying \$100,000.

Another witness -- William Poveromo, a local TV producer in Richmond who once dated Steele -- testified that she told him in April 1997 that she heard Willey's story of being "fondled" by Clinton firsthand soon after the alleged incident happened in 1993.

Poveromo said later that as Starr's prosecutors were investigating the allegation in March 1998, Steele tried to convince him that, "I never told you about Kathleen. You must be mistaken."

The defense insisted that Steele simply made "a mistake" by bowing to pressure from her former friend. But Steele "corrected" that lie, her attorney said, and has told a consistent story ever since.

During jury selection, U.S. District Judge Claude Hilton acknowledged that several well-known names would be part of the trial. Her case was "part of the investigation of ... the president of the United States" and would include "some mention" of Starr and Willey, Hilton said.

The judge asked potential jurors whether they had "formed any opinions in your mind that would prevent you from rendering an impartial verdict?" Four raised their hands and were called to the bench for interviews.

Also in the courtroom during the afternoon was Susan McDougal, who last month escaped conviction in another case brought by Starr. She

had succeeded in making Starr the issue in her trial, in part because Steele testified. Both women claim Starr is unfairly singling them out for prosecution.

Defense tries to target Willey

The defense has already suffered several setbacks. Luque had asked the court to allow Steele to file new briefs raising questions about polygraph tests taken by Willey, claiming, "Willey's credibility is the central issue in this case."

But Judge Hilton rejected the request. "We're not trying Mrs. Willey. We're not going into the truth or falsehood of Mrs. Willey or any other matter," Hilton said.

Luque also asked that Steele be allowed access to outtakes of the Willey interview with the CBS program "60 Minutes." After a protest last week from CBS attorney Michael Sullivan, Judge Hilton said he will not consider the issue of the outtakes until after Willey has testified -- if she testifies.

There is no indication whether Willey will testify, but Steele's lawyers are assuming that she will and are marshaling evidence about Willey's background that they hope to use to destroy her credibility.

Luque also is seeking notes from Newsweek reporter Michael Isikoff. "Ms. Steele would not be here if it weren't for Isikoff," the lawyer said. The judge gave no indication how he might rule on that request.

Steele vs. Willey

The Steele case boils down to one of "who's telling the whole truth and nothing but the truth."

In media interviews and in grand jury testimony, Willey's has said that Clinton fondled her in his private study off the Oval Office in 1993. The president denies the charge.

Willey says she confided Clinton's alleged sexual advance to Steele, a fellow resident of the Richmond, Virginia area, the day it occurred. Steele initially supported Willey's version of events to Newsweek, then recanted, telling her revised account to the FBI and two grand juries.

She now says the first time she heard the allegation was when Willey called her in 1997 and asked her to back up her story to Isikoff and had only done so as a favor for her onetime friend.

But Starr's office believes Willey's version of events. Julie Myers of the Office of Independent Counsel said that several witnesses have contradicted Steele's story and that she her "flip-flopped" testimony is not credible.

Starr on trial?

Steele says the only reason why she is on trial because she didn't tell Starr's prosecution team what they wanted to hear.

And Luque has argued before the judge that Starr's prosecutors made a series of misrepresentations, designating Steele as a mere witness in the investigation when they actually regarded her as a major focus of the probe.

But Steele may have a difficult time trying to shift the focus to Willey's credibility or Starr's investigation.

Judge Hilton has made clear he will not allow Steele's lawyers to put Starr's legal tactics on trial, as happened when Steele testified in support of McDougal, a former Whitewater investment partner of Clinton and his wife, Hillary.

But McDougal's attorney, Mark Geragos said, "Nancy Luque told me that if she sees an opening to put Starr on trial, she'll call Starr as her first witness and Susan McDougal right behind him."

CNN's Ted Barrett and Terry Frieden contributed to this report.

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