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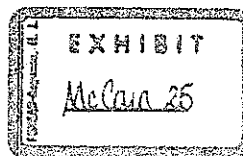
February 13, 1990

TO: Senate Ethics/Keating Investigation File
FROM: Amy R. Sabrin

Re: Interview of Senator John McCain

On Monday, February 12, 1990 at 10:00 a.m., Senator John McCain came to our offices, in the company of his attorneys John Dowd and Terry Lynam, to be interviewed by Special Counsel for the Senate Ethics Committee Robert Bennett, as well as by members of his staff, Steven Gordon and Amy Sabrin. The interview lasted approximately three and one-half hours, with several breaks.

At the outset of the interview, Mr. Bennett stated that this session constituted Senator McCain's opportunity to tell us anything he wanted to tell us. Mr. Bennett cautioned that we are discreet and that we intend to keep the substance of the session confidential. However, he explained, the interview was not "off-the-record", and the results of the interview would be re-



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MEMORANDUM

Lincoln or with the regulators. McCain himself has never spoken to Danny Wall about anything.

Turning to a new topic, we asked Senator McCain whether, with the exception of the Fountain Square investment, he or his family had any personal financial dealings with Charles Keating, ACC or Lincoln. He said the Fountain Square project was his wife's investment and that other than the Fountain Square project, there were no ^{other} personal financial dealings between him and ^{or his family} Keating. ACC ^{did not} involve him.

We asked if he ever received any benefit from Keating as a result of going to the meetings. He replied, "No -- never."

We asked Senator McCain why he wrote Gray in the spring of 1989, asking Gray if he recalls McCain doing anything improper at the 1987 meeting. (Exhibit 2.) McCain said he was convinced that he would receive a letter from Gray exonerating him of any impropriety, which he did not. (Exhibit 2.)

In Senator McCain's June 2, 1989 letter to Gray (Exhibit 2), he said, "I recall no 'deal' being offered. I recall no 'quid pro quo' ever being discussed by Senator DeConcini or any other senator." We asked him to explain that statement in light of his earlier comment to us that he had no recollection of what happened at the April 2 meeting. He said the letter to Gray meant simply