state and federal government. The attorney for the land deal was Vincent Foster, an Arkansas attorney who was a boyhood friend of Bill Clinton and later served with Hillary Clinton as a member of the Rose Law Firm, one of the most prestigious law firms in Arkansas and the United States. In 1980 Clinton was elected governor of Arkansas, and, although he lost the office in 1982, he won it back in 1984 and held it until 1992. During this period, there were allegations that McDougal used funds from his S&L finance parts of Clinton's gubernatorial campaigns.

For many years, the McDougals offered the Clintons a buyout of their share of Whitewater, but the Clintons refused until Clinton decided in 1991 to run for president of the United States. After Clinton was elected president, he named Vincent Foster deputy White House counsel. However, during the 1992 campaign, allegations of financial and other shenanigans involving Whitewater bubbled to the surface, and reporters headed down to Arkansas to look into them. After Clinton took office, demands rose in Washington, DC, that the land deal be investigated for possible illegalities. The voices rose to a crescendo when Foster was found dead in a Washington park on 20 July 1993—an alleged suicide. Suspicion focused on the White House when White House counsel Bernard Nussbaum ordered that confidential papers, many possibly dealing with Whitewater, be removed from Foster's office after word came that he was found dead. On 12 January 1994, Attorney General Janet Reno name New York lawyer and former U.S. attorney Robert B. Fiske Jr., circumventing a court that, under the Independent Counsel Statute, is required to get a recommendation for the naming of an independent counsel and name one of their choosing.

However, on 5 August 1994, when Fiske went to the special three-member judicial panel that had authority to name independent counsels, so that he could close parts of the investigation and get jurisdiction into other areas, the panel instead shocked Washington by removing Fiske from his post, explaining that he had not been properly name by the court initially. Instead, the court named Kenneth Winston Starr, Jr., a former federal appeals judge and a former solicitor general under President George H.W. Bush. Immediately, Starr issued subpoenas for documents, such as the Rose Law Firm billing records relating to the land dealings. These records were missing from the firm and they did not turn up for two years, when they were found lying on a table in the White House-eliciting even more suspicion of the Clintons. These records showed that, despite earlier statements that she had done little if any work on behalf of the Whitewater project, Mrs. Clinton in fact had done sixty hours of work on Whitewater. In January 1996 Mrs. Clinton was summoned by Starr before a Washington grand jury to elaborate on the records issue.

The independent counsel's investigation also looked into the role of the Clintons in the collapse of the Madison Guaranty Savings and Loan. After the S&L went under in the mid-1980s, the U.S. government bailed it out at the expense of some \$68 million. In 1989 James McDougal was indicted on state charges of bank fraud, but he was acquitted in 1990. However, Starr looked into whether Madison funds were used prior to the bank's demise to bolster the Whitewater land deal. Starr was able to track a 1985 fundraiser by McDougal that assisted in retiring campaign debt from Clinton's 1984 gubernatorial race.