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Nearly 100 days after Barack Obama entered office, his top White House lawyer, Greg Craig, braced the President's senior advisers for a potentially explosive development. The Administration was preparing to release photographs of suspected terrorists being abused in U.S. custody. On April 16, Craig asked chief of staff Rahm Emanuel to focus on the issue. Emanuel pleaded for more time to bury the release behind other news. ([Read "Why Obama Needs to Reveal Even More on Torture."](#))

The White House made public its plans to release the photos seven days later, triggering a powerful reprisal inside and outside the Obama Administration. The images included those of U.S. soldiers pointing guns at one detainee's head and a broomstick at the backside of another. Obama's field commanders advised that U.S. troops would die in an extremist reprisal if the release went ahead. Secretary of Defense Robert Gates originally supported the release, then opposed it. Republicans pummeled Obama for taking unnecessary risks with national security. Even John Kerry publicly voiced concern about the fallout. ([See pictures of life inside Guantanamo.](#))

Less than three weeks later, Obama pulled a U-turn. When Craig walked into the Oval Office on Friday, May 8, for a hastily called meeting, the normally placid Obama was visibly unhappy. "I don't like my options," the President said. Craig told the President his lawyers had concluded there was no alternative to releasing the photos. Obama sent Craig scrambling for a new way out. Three days later, Craig had found a loophole: instead of releasing the photos, Obama would buy time by fighting their release all the way to the Supreme Court.

Interviews with two dozen current and former officials show that Obama's public decision to reverse himself and fight the release of the photographs signaled a behind-the-scenes turning point in his young presidency. Beginning in the first two weeks of May, Obama took harder lines

on government secrecy, on the fate of prisoners at Guantánamo Bay and on the prosecution of terrorists worldwide. The President was moving away from some promises he had made during the campaign and toward more moderate positions, some favored by George W. Bush. At the same time, he quietly shifted responsibility for the legal framework for counterterrorism from Craig to political advisers overseen by Emanuel, who was more inclined to strike a balance between left and right. ([See portraits of Gitmo detainees.](#))

The unseen struggle took place in the spring, but the results are emerging now. On Nov. 13, Attorney General Eric Holder unveiled plans to try Guantánamo Bay detainees in federal courts, as preferred by liberals, but he also announced he would try other suspected terrorists using extrajudicial proceedings out of Bush's playbook. The Administration is preparing to unveil its blueprint for closing the prison, but Obama will do so using some of the same Bush-era legal tools he once deplored.

The White House says Obama hasn't changed, just adjusted. "He and the Administration have adapted as we have learned more and the issues have evolved, but there has not been an ideological shift," says spokesman Ben LaBolt.

In any case, not everyone will be there for the next evolution. Last Friday, while the President was in Asia, Craig announced his resignation.

Revolt of the CIA Directors

Four days after the 2008 election, Obama tasked Craig with dismantling Bush's interrogation and detention policies. Craig seemed the logical choice. An Ivy League-trained lawyer and former top staffer for Ted Kennedy, he had taken on politically unpopular causes over the years, including representing Elián González's father in his effort to return his son to Cuba. Craig helped defend his law-school classmate Bill Clinton against impeachment, but he broke from the Clintons in 2007 to back Obama and became a key player in his meteoric rise to the presidency.

Avuncular and white-maned, Craig had at one time imagined he might steer foreign policy in the new Administration, possibly as National Security Adviser. Instead, he was named Obama's top lawyer. Craig lost no time creating one of the largest White House counsel's offices ever, with dozens of high-powered lawyers, compared with only a handful who served under Bush in early 2001. Staffed with brainy graduates of Yale and Harvard law schools, Craig's office was an instant power center in the White House, able to produce answers, memos and ideas seemingly

overnight while other parts of the Administration were still getting up and running.

Craig won early victories for the liberal agenda. Against resistance from the intelligence agencies, he drafted a series of Executive Orders that ended the CIA's "enhanced interrogation" of suspected terrorists, suspended extrajudicial powers for holding and trying detainees and set a one-year deadline to close the prison at Guantánamo Bay. Obama signed the orders two days into his Administration. Craig was delivering much of the change Obama had promised during the campaign.

[Read "Five Questions for the CIA IG's Interrogation Report."](#)

[Read "The CIA and Interrogations: A Bad Fit from the Start."](#)

But Bush's legacy in the war on terrorism was being rolled back even faster in the courts, and soon Obama and Craig found themselves not rallying reformers but playing defense against the American Civil Liberties Union, which had sued the government under Bush in search of mountains of data and documents. The courts had ordered Bush to release classified Department of Justice memos that detailed and endorsed the use of harsh tactics like sleep deprivation in the CIA's interrogation of suspects. On March 15, Craig informed Obama that, faced with a court deadline, the Justice Department planned to make public these so-called torture memos in three days. As with the abuse photos, the issue tested Obama's commitment to openness.

Obama, a onetime constitutional-law professor, told Craig he needed more time and asked for an extension. But when Michael Hayden, Bush's CIA director who had stayed on in Obama's first month, learned that the memos might be released, he went ballistic. ([See pictures of the CIA.](#))

"What are you doing?" Hayden, just retired, demanded in a March 18 call to Craig. If Obama released the memos, Hayden argued, al-Qaeda would be able to train its warriors to resist the techniques described in their contents.

"The President is never going to authorize any of those techniques," Craig replied assuredly, so there was no danger in disclosing the methods to the enemy. ([See pictures of do-it-yourself waterboarding.](#))

Hayden pressed on: "Lemme get this right. There are no conditions of threat this nation might face that would prompt you to interrupt the sleep cycle of somebody who may have lifesaving information?"

There was a long silence. Craig would not concede the point.

Hayden didn't give up. He helped organize a group of former CIA directors to lobby Obama aides against the release. George Tenet, the CIA chief who presided over the harshest techniques, called his former aide John Brennan, now Obama's top counterterrorism adviser; Clinton CIA chief John Deutch called Deputy National Security Adviser Tom Donilon. Inside the West Wing, the former directors found that a small group of like-minded allies close to Obama was already forming in opposition to Craig. One was National Security Council (NSC) aide Denis McDonough, a former Senate staffer who has a windowless, low-ceilinged basement office next to the Situation Room — and daily access to the President. On April 15, the day before the extension was set to expire, the President invited eight officers of the CIA's Counterterrorism Center to make their case against release in an Oval Office meeting with Obama. An all-hands, full-dress battle over where to strike the balance between civil liberties and national security was under way.

That night, after dinner with his family, the President called his chief of staff, Emanuel. "I've been thinking about [the memos]," Obama said. "Well, we're meeting on it right now," Emanuel replied.

Obama arrived at Emanuel's office a few minutes later, took off his windbreaker and sat down at a table lined with about a dozen national-security and political advisers. He asked each to state a position and then convened an impromptu debate, selecting Craig and McDonough to argue opposing sides. Craig deployed one of Obama's own moral arguments: that releasing the memos "was consistent with taking a high road" and was "sensitive to our values and our traditions as well as the rule of law." Obama paused, then decided in favor of Craig, dictating a detailed statement explaining his position that would be released the next day.

But for Craig, it turned out to be a Pyrrhic victory. Four days later, former Vice President Dick Cheney attacked Obama on Fox News Channel for dismantling the policies he and Bush had put in place to keep the country safe. More significant was the reaction within Obama's camp. Democratic pollsters charted a disturbing trend: a drop in Obama's support among independents, driven in part by national-security issues. Emanuel quietly delegated his aides to get more deeply involved in the process. Damaged by the episode, Craig was about to suffer his first big setback.

The Fate of Guantánamo Bay

Obama repeatedly promised during the presidential campaign to close the prison at Guantánamo Bay, but Guantánamo proved much easier to say than to do. Craig was under pressure to eliminate related Bush policies that made it infamous: indefinite detention without charge or trial and the use of military commissions — special courts that curtailed defendants' rights.

[See pictures of Guantanamo's last days.](#)

[See TIME's Pictures of the Week.](#)

On April 17, Craig took the first step, assembling officials from across government in his office. Not only was he going to bring some prisoners from Guantánamo Bay to the U.S. for trial, he told them, but he was also going to turn some of the detainees loose. Seventeen were Uighurs, members of an ethnic minority from northwestern China, whom Bush and the courts judged had been wrongly swept up in Afghanistan and Pakistan after 9/11. Obama's top national-security advisers — including Gates, Secretary of State Hillary Clinton and others — had approved Craig's plan to release two Uighurs in northern Virginia.

The move was part of a global game to empty the prison. If the two settled without incident, six more would be let into the U.S. That in turn would help the State Department persuade other countries to take Gitmo detainees. The hope was that those remaining could be tried in federal courts. At the April 17 meeting, Craig directed some of the officials to plan security measures for monitoring the Uighurs once they got to the U.S. and others to develop a plan to convince Congress and the public that it was a good idea. The Uighurs' lawyers agreed to a number of intrusive measures, including ankle bracelets, to assuage security concerns. "It was a matter of days, not weeks," until the Uighurs would arrive, says a top Defense official.

But inside the White House, the mood had changed amid the furor over the release of the torture memos in April. McDonough and other NSC advisers assembled in the Oval Office to discuss it. Obama raised questions about security — were the FBI and the Department of Homeland Security on board? Separately, his legislative-affairs staff warned of stiff congressional resistance — and Republicans responded on cue. Word of the plan leaked on April 24, and Senate minority leader Mitch McConnell launched three weeks of near daily attacks on the idea of letting the Uighurs loose in the U.S. Dick Durbin, Obama's mentor and the Democrats' No. 2 in the Senate, called the White House asking for ammunition to fight back against McConnell and the Republicans. "What's our plan?" Durbin asked. ([Read "Debating the Torture Memos."](#))

Unwilling to execute Craig's plan, the White House had no backup. Though Durbin thought it could win the fight, Obama's political team worried about antagonizing lawmakers at a time when the President was seeking more money for Iraq and Afghanistan as well as a host of economic concerns. "The precincts were reporting that there was going to be stiff opposition" to Craig's Guantánamo plan, says a top official. It became "a question of what is achievable," he adds.

Obama quietly killed the Gitmo plan in the second week of May; Craig never got a chance to argue the case to the President. "It was a political decision, to put it bluntly," says an aide. The stumble had long-term consequences: later that month, Congress blocked the release of Guantánamo detainees in the U.S. and restricted their transfer there for trial. The White House realized it had to start over on a signature issue. ([See pictures of prison life inside Baghdad's Camp Cropper.](#))

The Final Days of Greg Craig

Obama needed to regain control quickly, and he started by jettisoning liberal positions he had been prepared to accept — and had even okayed — just weeks earlier. First to go was the release of the pictures of detainee abuse. Days later, Obama sided against Craig again, ending the suspension of Bush's extrajudicial military commissions. The following week, Obama pre-empted an ongoing debate among his national-security team and embraced one of the most controversial of Bush's positions: the holding of detainees without charges or trial, something he had promised during the campaign to reject.

To explain these moves, Obama turned to a device he often uses to transcend political divisions: a major speech. Delivered at the National Archives on May 21, Obama's address

struck a new equilibrium between security and civil liberties — a stark contrast to the security-at-any-cost approach advocated by Cheney, but also a departure from his direction at the start of 2009. The President pointed out that he had ended "enhanced interrogation" and closed the CIA's secret prisons. But he also pledged to "use all elements of our power to defeat" al-Qaeda.

Obama's Archives speech is now the template for Administration policy. Attorney General Holder recently announced that the U.S. would prosecute 10 Guantánamo detainees, including Khalid Sheikh Mohammed and four other plotters of the 9/11 attacks. But he also announced, to the chagrin of human-rights groups, that five other Guantánamo detainees would go before the military commissions Obama had shunned in his campaign but embraced in May. Obama will soon announce that detainees will face indefinite detention.

Craig watched the Archives speech from the second row — close enough to see the writing on the wall. Emanuel had assigned Pete Rouse, a top adviser, to oversee the political side of Craig's old domain and Donilon to chair an interagency group on policy. Craig continued to attend the meetings but said little, according to participants. Administration officials began to whisper about Craig's prospects in August.

Obama announced his intention Nov. 13 to replace Craig with Bob Bauer, whose specialty is election law. In his resignation letter to Obama, Craig wrote, "I want to tell you how proud I am of all that your legal team has accomplished on your behalf and in support of your agenda since your Inauguration." For Craig, however, the agenda had changed.