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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Davis, Mark, Files
Subseries: Subject File, 1989-1991

OA/ID Number: 13870
Folder ID Number: 13870-005

Folder Title:
Ethics, 3/28/89

Stack:	Row:	Section:	Shelf:	Position:
G	19	2	6	3

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01a. Memo	Mark Davis to POTUS, Re: Ethics Speech. (1 pp.)	03/28/89	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Davis, Mark William
Subseries: Subject File
WHORM Cat.:
File Location: Ethics 3/28/89

Open on Expiration of PRA
 (Document Follows)
 By car (NLGB) on 4/5/05

Date Closed: 12/13/2004	OA/ID Number: 13870-005
FOIA/SYS Case #: S	Appeal Case #:
Re-review Case #: 2005-0481-S	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE
WASHINGTON

March 28, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: MARK DAVIS
SUBJECT: ETHICS SPEECH

by exec. order, too.

Event: You will give two speeches on the day you unveil your ethics legislation in early to mid April. One speech will be before political appointees; this will be a more precise, programmatic look at your legislation. The second speech, which I am drafting, will be given before several hundred congressional interns and pages. I recommend that this speech concern ethics in the broader context of basic American values.

Theme: We expect our leaders to live up to our best standards. Yet these standards do not emanate from Washington. They are to be found in the everyday conduct of working men and women; in the postman who checks on the elderly resident at home; in the cashier who runs after the customer she overcharged.

Tone: No preaching, no holier-than-thou rhetoric. Just an acknowledgement that many of these young men and women are beginning a long career in government, and that now is the best time in their lives to embrace certain standards.

Content: Ethics legislation will bring about uniformity, simplicity and fairness to federal ethics laws. We do not want to scare off good people with laws that are too complex to understand or obey. Congress must be included: the American people will not long respect a legal system that treats the branches of government differently.

Caveat: An ethics law is not a political weapon, a blunt instrument with which to pound the opposition. It is not a gag with which to silence the outspoken. It is not an instrument of torture with which to torment the unpopular. It is a tool for government as good, as honest and as wise the nation it serves.

- Sununu: NOT est. STANDARDS that place
perception over reality.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01b. Report	Commission recommendations, Re: Ethics legislation. (4 pp.)	n.d.	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Davis, Mark William
Subseries: Subject File
WHORM Cat.:
File Location: Ethics 3/28/89

**Open on Expiration of PRA
(Document Follows)
By CAF (NLGB) on 4/5/06**

Date Closed: 12/13/2004	OA/ID Number: 13870-005
FOIA/SYS Case #: S	Appeal Case #:
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AR Disposition:	MR Disposition:
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4 PRINCIPLE

- A) LEVEL PLAY IN FIELD
- B) CONS. OF EXEC. BRANCH STANDARDS - COMMON SENSE AND UNIFORMITY TO ETHICS.

II. SUMMARY OF RECOMMENDATIONS

- C) STANDARDS TOUGH ENOUGH TO KEEP GOV. ETHICAL.
- D) NOT TOO TOUGH TO KEEP PEOPLE OUT - NOT TOO BURDENOME

A Recommendation 1: The Commission recommends that the conflict-of-interest statute, 18 U.S.C. § 208, be extended to non-Member officers and employees of the judiciary and Congress, but not to Members of Congress themselves.

B Recommendation 2: The Commission recommends (1) that the Office of Government Ethics, in collaboration with the Department of Justice, issue interpretive regulations relating to financial conflicts of interest under 18 U.S.C. § 208; and (2) that legislation be enacted granting the Office of Government Ethics the authority to issue rules providing for general waivers under § 208(b)(2).

B Recommendation 3: The Commission recommends (1) that agencies granting waivers under § 208(b) be required to consult with the Office of Government Ethics in advance and provide that office with a copy of any waiver granted; (2) that further consideration be given to the mechanism for granting waivers for employees of the legislative branch; and (3) that legislation be enacted granting the President authority to waive the provisions of § 208(a) in situations where the national interest so requires.

D Recommendation 4: The Commission recommends that legislation be enacted to grant tax relief to persons who are required to divest assets in order to avoid conflicts of interest.

B Recommendation 5: To respond to certain unique circumstances that pose unusual conflict of interest issues, the Commission recommends (1) the enactment of legislation authorizing waivers from 18 U.S.C. § 208(a) for advisory committee members where the appointing authority determines, after review of financial disclosure forms, that the need for a member's expertise outweighs the potential for conflict of interest; and (2) that limitations on the activities of partners of federal employees (18 U.S.C. § 207(g)) apply only when the government employee and the partner are general partners, not when the government employee is a limited partner.

F Recommendation 6: The Commission recommends (1) that federal employees in all three branches be prohibited from receiving honoraria, (2) that existing criminal prohibitions against supplementing government salaries apply to all three branches, and (3) that senior

if P. wants to go after Congress, this is central-popular w/ Post - BUT NOT JUDGES.

employees in all three branches be covered by a uniform percentage cap on outside earned income, but that the President have authority to exempt categories of earned income from the cap that do not present significant issues of ethical propriety or interfere with the full performance of job duties.

(A) Recommendation 7:

The Commission recommends that senior federal employees in all three branches of government be prohibited from serving on the boards of directors of for-profit commercial enterprises (whether or not compensated) and that requests by such employees to serve on the boards of directors of nonprofit organizations be subject to review on a case-by-case basis.

(A) Recommendation 8:

(B)

The Commission recommends the following changes in the laws and regulations governing acceptance of gifts: (1) enactment of uniform gift acceptance authority government-wide; (2) enactment of a uniform maximum value for gifts to individuals; and (3) enactment of revisions to the current statutory bar on gifts to supervisors.

(A) Recommendation 9:

The Commission recommends that restrictions in 18 U.S.C. § 208 on negotiation for employment be amended to extend to Members and employees of the legislative and judicial branches. We further recommend that Congress reconsider the necessity of retaining statutes applying special restrictions to specified categories of employees. To the extent that Congress feels that such supplementary restrictions are necessary, those prohibitions should be consolidated into § 208.

(A) Recommendation 10:

(D)

The Commission recommends that the one-year cooling-off period presently applicable to Senior Employees of the executive branch be extended to the legislative and judicial branches and their senior staff. As to all three branches, the bar should permit self-representation by the former employee on particular matters involving the former employee specifically.

(A) Recommendation 11:

(D)

The Commission recommends that Congress enact legislation that adds a new provision to 18 U.S.C. § 207 creating a two-year post-employment bar, for executive and legislative branch personnel, against the use or disclosure of certain specifically defined, non-public information in connection with representing a party to the government or in connection with aiding or advising a party in such a representation. Such legislation should include: (1) a provision that includes non-public procurement-related proprietary or source selection information within the scope of the restriction; and (2) if specifically definable, a provision that includes non-public information as

to the government's position and strategy in international trade, disarmament, and finance negotiations.

- (B) Recommendation 12: (D) The Commission recommends amending the 18 U.S.C. § 207(b)(i) two-year official responsibility bar to add a knowledge requirement.
- (B) Recommendation 13: (D) The Commission recommends repeal of the 18 U.S.C. § 207(b)(ii) two-year prohibition against Senior Employees assisting in a representational effort by personal presence.
- Recommendation 14: The Commission recommends that the Executive Office of the President be treated as one agency for the purpose of the one-year cooling off period.
- Recommendation 15: The Commission recommends that the receipt of compensation not be included as an essential element of any post-employment restriction.
- (B) Recommendation 16: The Commission recommends that the public financial disclosure reporting system mandated by the Ethics in Government Act of 1978 be continued, but the floors of the highest categories of value for reporting of income and assets should be raised, there should be broader ranges of values within the categories, and specified statutory reporting requirements should be replaced by general requirements, with an authorization for the Office of Government Ethics to impose detailed reporting requirements by regulation. In addition, for non-career appointees, the reporting requirements for liabilities should be expanded to include mortgages on personal residences and loans from specified relatives.
- (A) Recommendation 17: The Commission recommends that financial reporting requirements and review be made more uniform across the three branches of government.
- (B) Recommendation 18: The Commission recommends that a coordinating committee composed of ethics officials of the three branches of Government study ways to simplify the Presidential appointment process by reducing the number and complexity of forms to be completed by potential appointees.
- (B) Recommendation 19: The Commission recommends revision, updating and reissuance of Executive Order 11222 to emphasize the President's commitment to the highest ethical standards for executive branch employees.

(B) Recommendation 20: ✓

Key one

The Commission recommends that the Office of Government Ethics be directed by executive order to consolidate all executive branch standards of conduct regulations into a single set of regulations. Individual agencies could supplement these regulations with stricter standards with the approval of the Office of Government Ethics. The Office of Government Ethics should also issue a comprehensive ethics manual.

Recommendation 21:

The Commission recommends that executive branch agencies should be responsible for training their employees concerning ethics requirements, but an agency should obtain the Office of Government Ethics approval of its annual plan for training and awareness activities.

(A) Recommendation 22:

The Commission recommends that Congress appoint an independent ethics official, to be confirmed by both houses, who would head a permanent ethics office that would investigate allegations of misconduct, report findings publicly to the ethics committee of the appropriate house, and recommend appropriate sanctions.

Recommendation 23:

The Commission believes that a White House Ethics Council or similar body could be helpful in preserving high ethical standards in the executive branch.

(B) Recommendation 24:

The Commission recommends the addition of misdemeanor and civil penalties as sanctions for violations of 18 U.S.C. §§ 203-209 but recommends that willful violations of these laws should continue to be punishable as felonies.

(B) Recommendation 25:

The Commission recommends that Chapter 11 of title 18 of the United States Code be amended to allow the Attorney General to seek injunctive relief for all violations of 18 U.S.C. §§ 203-209.

(B) Recommendation 26:

The Commission recommends the strengthening of administrative debarment procedures for former government employees who violate the post-employment restrictions in 18 U.S.C. § 207.

(A) Recommendation 27:

Assuming the continued use of an Independent Counsel mechanism, the Commission recommends that Congress enact legislation to extend the scope of the Independent Counsel statute to cover the legislative branch. *

GEORGE BUSH PRESIDENTIAL LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1
LISTED ON THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER

and clear. Ethical standards are central to our Administration and our Nation, and we will enforce them: strictly, comprehensively, fairly, and to the letter and spirit of the law.

Ten weeks ago, I issued an Executive Order creating the President's Commission on Federal Ethics Law Reform. And I asked its members to recommend steps which would foster full confidence in the integrity of all Federal public officials and employees.

On March 9, this Commission filed its report and its recommendations. And, today, I am announcing a new Executive Order and legislation to enforce government ethics in fact, not merely in theory. This afternoon, legislation is being sent to the Congress. And in a few moments, I will issue my Executive Order, affecting executive-branch employees.

Both actions seek a common end: To raise ethical standards, to avoid conflicts of interest, and to ensure that violating the law -- even the appearance of wrong-doing -- will not be tolerated.

There are those, of course, who rightly say that public ethics and values cannot be legislated. But they can be encouraged, respected, and adhered to in government. Public servants must reflect the best values of America. And let me add that most public servants do. They are decent and devoted men and women who care deeply about their Nation.

Jefferson said, "The whole art of government consists in being honest." Yet, too often, government rules have worked at cross-purposes. Our regulations have been unfair and complicated. Our laws have been contradictory and unclear. We've spent more time trying to understand Federal ethics laws than we have trying to live by them.

Our ethics program seeks to change all that. How? By achieving four objectives: First, to set high ethical standards; second, to ensure uniform standards among all three branches of government; third, to insist that these standards are fair and reasonable; and, fourth, to bring in, not drive out, the talented and enterprising to government.

First, our ethics program insists that ethical standards must be exacting enough to ensure that officials act with utmost integrity. For the public's confidence is not ours to inherit.

We must earn that confidence. It must be constantly renewed.

Therefore, our bill will dramatically increase financial disclosure requirements. Moreover, it will prohibit the personal use of excess campaign contributions by all members of Congress. PAC-Man may play in pizza parlors, but it's time we pulled its plug in Washington, D.C.

My friends, the PAC freight train is out of control. Unless we stop it, it will steamroll democracy. Consider: In 1972, PAC

contributions to House and Senate candidates totaled \$12 million; last year, they skyrocketed to \$150 million. In 1974, there were 608 PACs; today, there are about 4,200.

This explosion protects incumbents, harms challengers, and, as The Washington Post said recently, helps "give new meaning to the term life member." In 1988, PAC money favored incumbents over challengers by eight to one. Our Founding Fathers created a two-year term of office for the House of Representatives to make that body responsive and responsible. With a re-election rate of 98.5 per cent, how can it be either?

Worse, PAC money too often aids special interests at the expense of the general interest. That is why we support sweeping reductions in the amounts that PACs can contribute. We want to reduce maximum contributions to an individual from \$5,000 to \$1,000. And we want to cap calendar-year contributions by any PAC to federal candidates at \$25,000. Our proposal will put corporations and labor PACs on an equal footing. It will strengthen America's two-party system. Above all, it will send this clarion message: "Democracy is not for sale."

Our ethics program's second goal insists that standards be equitable across all three branches of government. Remember: If every branch of government is equal, none warrants preferential treatment. If Washington is a level playing field, then every team member should be treated the same.

Therefore, assuming the continued existence of the Independent Counsel, I request that we extend that statute to cover the Congress. I want to create an independent ethics office for the Congress, to be headed by an independent official, confirmed by both houses. I ask that the existing one-year post-employment "cooling-off" period for senior executive-branch employees also apply to ^{the} other branches. And I want to extend to legislative- and judicial-branch employees and judges the Federal statute that prohibits employees from taking actions which enhance their own financial interests.

Then, there's the third objective of our ethics program. It insists that standards be reasonable and reflect good old-fashioned common sense.

Some financial interests, for example, are too minor to create any meaningful conflict-of-interest. So, I want the Office of Government Ethics to have the authority to issue regulations authorizing waivers from the conflict-of-interest statute. But at the same time, we're urging tougher penalties when intentional violations of criminal conflict-of-interest laws occur.

We're asking officials from all three branches to jointly simplify the forms that must be completed by prospective Presidential appointees -- the forms you've memorized in your

sleep. And our new Executive Order sets forth ethical standards for executive-branch employees. For example: Presidential appointees will not be allowed to earn outside money for services performed during their time here. And I'm requiring mandatory annual briefings on ethics for Presidential appointees.

An old adage claims that "when all is said and done, as a rule, more is said than done." Our program's fourth objective, like the previous three, aims to dodge that pitfall.

This objective says that America must not allow overly restrictive requirements to keep talented people from entering public service. That is why we have carefully crafted new post-employment restrictions. And why we want to allow persons who are required to divest assets in order to avoid conflicts of interest to defer their tax liability.

Prosecution of
→

7.
((You know, there's an old New England story about a man, stuck in the mud with his car, who was asked by a passing motorist whether he was really stuck. "You could say I was stuck," the fellow said, "if I was really going anywhere."))

Our ethics program shows exactly where we are going, and why. We seek to attract, and keep, more of the best and brightest in government. And by helping others -- honorably, ethically -- we seek to show how public service is not the sum of