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OA/ID Number: 7548

FolderID:

Folder Title:

Dr. Elders

Stack:

S

Row:

90

Section:

4

Shelf:

10

Position:

3

CLARKSON, ILL. ISLAND
HOWARD M. KATZ, ILLINOIS
CHRISTOPHER L. BOES, CONNECTICUT
PAUL E. CLARK, ILLINOIS
TOM CLARK, ILLINOIS
CAROL A. KILLIAN, MARYLAND
JOY KILLIAN, NEW MEXICO
PAUL E. KILLIAN, ILLINOIS
WILLIAM, PENNSYLVANIA
HARRY LAMON, KANSAS
JAMES M. JEFFERS, VERMONT
DAN KEATE, ILLINOIS
JUDY KROG, NEW HAMPSHIRE
STEVE THOMPSON, SOUTH CAROLINA
CARRIE S. MATH, UTAH
DAVE SUNDHOLM, MINNESOTA
KEE LITTLEFIELD, STAFF DIRECTOR AND CHIEF COUNSEL
SUSAN E. NATTA, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, DC 20510-6300

23 JUL 23 P2:55

Facsimile Cover Memorandum

To: FRAN Wessel

Fax Number: 456--2215

From: JOHN PODESTA

Date & Time: _____

Number of Pages: Cover + 5

Return Fax Number : 202/224-5128

If there is trouble receiving this fax, please call 202/224-5375

Please deliver to
PAUL + MARK BEARAW
ASAP

*M. Joycelyn Elders, M.D.
810 Marcia Cove
Little Rock, Arkansas 72206*

July 22, 1993

The Honorable Edward M. Kennedy
Chairman
Senate Labor & Human
Resources Committee
315 Russell
United States Senate
Washington, D.C. 20510

The Honorable Nancy Landon Kassebaum
Ranking Minority Member
Senate Labor & Human
Resources Committee
302 Russell
United States Senate
Washington, D. C. 20510

Dear Senators Kennedy and Kassebaum:

I write in response to your request for answers to the following questions concerning the National Bank of Arkansas.

I welcome the opportunity to address these issues in response to your questions, and remain available to answer questions from the senators at the hearing as well.

QUESTION 1:

Was the National Bank of Arkansas ("NBA") ever subject to a formal enforcement action under 12 U.S.C. Section 1818?

ANSWER:

The NBA was subject to a formal enforcement action under 12 U.S.C. Section 1818 in the form of a formal written agreement between the Comptroller of the Currency and the Board of Directors of the bank.

QUESTION 2:

Did an Office of the Comptroller of the Currency ("OCC") examination report find that any directors of the NBA engaged in practices that violated national banking laws regarding either safety and soundness or criminal activity?

ANSWER:

I was briefed at Board meetings on the contents of examination reports by the OCC and the President of the Board. I was advised that all directors were cited in examination reports as having violated national banking laws and safety and soundness laws relating to their failure properly to supervise bank management. I was advised that the examination reports did not find their activity to be criminal.

QUESTION 3:

Did any directors of the NBA, including yourself, receive letters of reprimand from the OCC?

ANSWER:

I received a letter of reprimand solely in my capacity as a member of the Board of Directors of NBA. I believe that other directors who served on the Board also received letters of reprimand.

QUESTION 4:

Was any of your conduct cited specifically in any examination report?

ANSWER:

I believe that no conduct in which I personally engaged was ever cited specifically in any examination report.

QUESTION 5:

Were the directors ever informed by examiners that the bank management was engaging or had engaged in unsafe and unsound banking activities or violations of national banking laws?

ANSWER:

As a result of the examination reports, Board directors were informed that bank management had engaged in unsafe and unsound banking practices which were in violation of national banking laws.

QUESTION 6:

Did the directors take action to reasonably ensure that the activities cited in the OCC reports would not continue?

ANSWER:

I believe that although the examiners acknowledged that remedial actions were taken, the examiners did not view those actions as sufficient to correct the activities of bank management. Thus, a letter of reprimand was issued by the OCC to me and the other directors.

QUESTION 7:

Are you the target of further investigation?

ANSWER:

I believe that I am not the target of any further investigation.

QUESTION 8:

Did the Board grant each director a \$200,000 extension of credit?

ANSWER:

The minutes of the Board of Directors meetings indicate that the directors were given an extension of credit up to \$230,000. This extension of credit was not construed by me as "automatic loan approval" in that each loan was subject to the usual bank policies and procedures applied for by anyone else. I abstained from the Board vote granting me this extension of credit.

QUESTION 9:

If the directors received such an extension of credit, was this decision ever cited or criticized by the banking examiners?

ANSWER:

No.

QUESTION 10:

Did you ever borrow money from the NBA during the time you were a member of the Board?

ANSWER:

Yes.

QUESTION 11:

What was the purpose of (each) such loan?

ANSWER:

I borrowed from the bank on various occasions under terms and conditions available to other borrowers. The purpose of the loans was primarily for commercial ventures, including the purchase of real estate.

QUESTION 12:

Did you ever borrow any money from the bank at preferential rates not offered to other borrowers during the time you were a member of the Board?

ANSWER:

No.

QUESTION 13:

Did you recuse yourself from discussion or approval by the Board of any loan you had requested?

ANSWER:

I recused myself from voting on the extension of credit by the other members of the Board of Directors to myself.

QUESTION 14:

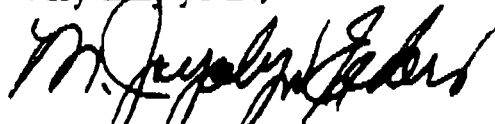
Does the Comptroller of the Currency have to approve or sign off on any settlement agreement involving litigation alleging violations of federal banking laws?

ANSWER:

Not to my knowledge.

I hope that the above responds to your questions in this area.

Very truly yours,



M. Joycelyn Elders, M.D.

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**STATEMENT
OF
M. JOYCELYN ELDERS, M.D.**

**BEFORE THE
U.S. SENATE LABOR AND HUMAN RESOURCES COMMITTEE**

JULY 23, 1993

***THIS TEXT IS THE BASIS OF M. JOYCELYN ELDERS' ORAL REMARKS.
IT SHOULD BE USED WITH THE UNDERSTANDING THAT SOME MATERIAL MAY
BE ADDED OR OMITTED DURING PRESENTATION.**

Good Morning!

Mr. Chairman, Senator Kassebaum and members of the Senate Labor and Human Resources Committee, it is a great honor to appear before you today as President Clinton's nominee for the position of Surgeon General. I want to thank you for taking time from your busy schedules to meet with me during the past few weeks. I appreciate that opportunity and look forward to talking with those of you I have not yet met.

Before proceeding further, I would like to take this opportunity to thank my dear husband, Oliver Elders, and all of my family and friends, many of whom are here today, who have supported me throughout my career, and particularly, for their support during the past six months. Many say I am a lightning rod. Please know that they have been my thunder.

I appear before you today at a time when our entire Nation is facing great challenges in public health. AIDS, violence, teenage pregnancy, a new strain of tuberculosis, low immunization rates all indicate we have not done a very good job at selling healthy lifestyles in this country. I believe the only way to heal our Nation is through prevention. Prevention requires education. If confirmed, I would make my utmost goal the education of our people, all our people, on how to stay healthy.

I have some personal and professional understanding of these challenges that I would like to share with you.

First, I am the oldest of eight children. I had never seen a physician prior to my first year at college. One of my earliest memories concerning the lack of health care was my four year old brother, who had a ruptured appendix and was taken to the doctor more than ten miles away on the back of a mule. His abdomen was lanced, a drain placed, and he was sent home. I have heard my mother scream during difficult child deliveries, without any medical help. I have seen bright young people all over this country surrounded by social problems impacting health such as drugs, alcohol, violence, homicide, suicide, AIDS and teenage pregnancy. My experience has led me to know first hand many of the programs administered by the Public Health Service and other Federal agencies.

Second, I know about taking advantage of opportunities. The United Methodist Church helped me reach the first rung of the ladder that enabled me to be here today by providing a scholarship to Philander Smith College at age fifteen. After college, I enlisted in the Army and became a physical therapist. Following my service years, I attended medical school on the G.I. Bill and after completing my medical training became a board certified pediatric endocrinologist. I know the importance of providing opportunities for our children today.

Third, as a physician in public health clinics and at the University of Arkansas School of Medicine, I have been the provider of many of the services supported by public health programs.

Fourth, I am a teacher. For over twenty years, I have been on the faculty in the Department of Pediatrics at the University of Arkansas School of Medicine.

During my medical career, I was a National Institutes of Health career development awardee. I served on NIH study sections, advisory committees for both the NIH and the FDA, and, as a consultant to or as a member of advisory committees for many of the programs sponsored by the Public Health Service. I am an experienced researcher having authored many articles on hormonal growth disorders in children. I appreciate the need to have good scientific facts to back up conclusions.

For the past five and a half years, I have been an administrator at the State level as Director of the Arkansas Department of Health. Last year, I was honored by my fellow health directors when they elected me President of the Association of State and Territorial Health Officers (ASTHO).

Finally, I am a coalition builder. Since becoming the Director of the Arkansas Department of Health, I have spent a great deal of my time, recruiting the help of churches, schools, civic

organizations, judges, businesses and local communities. I realized that I could not do the job alone. I needed to mobilize all of the resources available in our communities to help save the most valuable resource we will ever have, our human capital. I do not believe that we can dictate from above what local communities need to do to solve the public health problems we are encountering today. We must empower each community to design their own solutions.

As a result of my background, education, training, and experience, I have become a strong advocate for programs that will strengthen families, reduce risky behaviors, improve health and enable children to become healthy, educated, motivated and to have hope for the future. Far too many of our children have become members of what I call the 5-H Club -- hungry, healthless, homeless, hugless, and hopeless.

I would like to explain what I am about. But before I do that, I would like to address some issues about me that have been raised.

- o I am about early childhood education to help children get a good start in life. Only 18% of Medicaid children in Arkansas, the poorest of the poor, have the opportunity to attend Headstart. We know that early childhood education is cost effective and a preventive measure that reduces the likelihood that such children will end up as drop-outs, in prison, or as teen parents.

- o I am about -- and always have been about -- comprehensive health education from kindergarten through the twelfth grade. Comprehensive health education means age-appropriate health education programs which include information on: self esteem, alcohol and substance abuse including tobacco, nutrition, exercise, violence prevention, AIDS and human sexuality. It means being healthy and feeling good about yourself. Comprehensive health education teaches children to take care of themselves. Our children deserve that chance.
- o I advocate educating our parents so that all will know how to instill in their children the courage, strength and perseverance to meet the challenges of growing up. We do not teach parents how to be good parents. Because they do not want to do anything wrong, too often some parents simply do nothing when it comes to providing sound, solid direction and guidance for their children.
- o I believe we must teach our young men to be responsible. Children being born today need all the help they can get to succeed in this world--including two nurturing parents when possible. They deserve to know and receive support from both parents.
- o I am about comprehensive school-based or school-linked health services which provide primary preventive care for children at

or near where they spend most of their day, in school. In Arkansas, it was my policy (which was later codified) that the local community and the local elected school board would decide if they wanted a clinic in their school and what services to be provided in the clinic. Only four out of twenty-four clinics in Arkansas offer contraceptives on site. Even in those clinics, the parents must sign a release statement before their child can receive family planning counseling and contraceptives from the clinic.

- o I believe we must offer our bright, young people hope for the future by providing scholarships to those who stay out of trouble and do well in school so they can attend college. It is far cheaper to send them to college than to send them to prison.
- o Finally, I am about improving the quality of life of all Americans by:
 - preventing chronic and infectious diseases, including cancer, heart disease, hypertension, tuberculosis, and AIDS;
 - reducing infant morbidity and mortality;

- eliminating the serious disparities in health problems that minority groups experience;
- preventing and reducing the toll of injuries and disabilities in our society;
- improving womens' health; and
- providing care and services for our elderly so they can live in dignity and comfort during their final years.

As Surgeon General, I will be a true advocate for the improvement of health in America, a strong dedicated leader for the U.S. Public Health Service Commissioned Corps and an effective representative for the Public Health Service.

If confirmed, I am excited about commanding the PHS Commissioned Corps. What doctor wouldn't be excited about working with over 6,500 highly-trained and experienced health professionals? The Commissioned Corps has played such a key role in addressing the public health threats of the day -- whether they be polio, AIDS, floods or hurricanes. I commit to you that, under my leadership, the Corps will continue to be a vital force in protecting the health of America.

Mr. Chairman, and members of this committee, I want to change the way we think about health -- by putting prevention first. I want to change the behaviors and attitudes of Americans by promoting programs and policies which will enable us to be responsible for our own health. I want to be the voice and the vision for the poor and the powerless. I want to change concern about social problems that affect health into commitment. And, I would like to make every child born in America a planned, wanted child.

Should I be confirmed, I would like to work with you and all America to develop an action plan to improve the health of our country. To me, it is not enough to just reform the health care system. We will never have a large enough budget to address all the health care needs of our citizens if we do not start thinking prevention and taking personal responsibility for our health.

I am a hard worker. I am willing to give my time and my talent. We have a big task before us, and I hope you will see fit to make me part of your team.

I will be most happy to respond to any questions.

from the office of

*Senator Edward M. Kennedy
of Massachusetts*

FOR RELEASE: IMMEDIATE
JULY 22, 1993
CONTACT: Theresa Bourgeois
Kevin Winston
202-224-4781

**STATEMENT OF SENATOR EDWARD M. KENNEDY
REGARDING THE NOMINATION HEARING OF
DR. JOYCELYN ELDERS TO BE SURGEON GENERAL**

Dr. Elders is more than willing to answer questions in a public forum. We look forward to tomorrow's hearing.

~~Coats~~

334 - ~~690~~
7959 7627
.....

- Repts / H/U

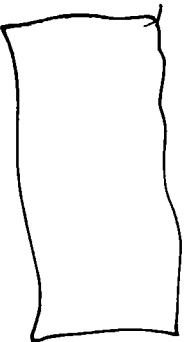
- JE Dirctr of Nursing
sr. citz home at same x
as Dirctr of H/U

- 2 jobs at once

Neil Legalso - atty.

- Medical Dirctr \$4800 / max.
- 1989
- 86 beds - North LR Nursing Home
- not insensitve to Ark law

dates back several yrs.



Children's Hospital
Child Development Unit



Harvard Medical School
Department of Pediatrics



Children's Hospital
300 Longwood Avenue
Boston, MA 02115
617-734-6948
617-734-7940 (fax)

July 20, 1993

Meg Greenfield
Editorial Page Editor
The Washington Post
1150 15th Street, N.W.
Washington, D.C. 20071

Dear Ms. Greenfield,

I am submitting the enclosed op/ed article on Joycelyn Elders, M.D., surgeon general nominee, for publication in *The Washington Post*.

If you have any questions, please feel free to call me on Wednesday at (410) 727-3687. This is the number to Parent Action, an organization I have a meeting with during the day. You can also reach me Wednesday night at my home number, (617) 876-7525. I will be in my office on Thursday, (617) 864-4543.

Thank you for your consideration.

Sincerely,

T. Berry Brazelton, M.D.
Professor of Pediatrics
Harvard Medical School

Every day the plight of America's children is spread across the front page of our newspapers, bantered about on call-in radio and analyzed on television talk shows. Children having babies. Children addicted to drugs. Children being abused and neglected. We have discussed the myriad of problems facing our future generations so much that the situation seems overwhelming. Unsolvable.

So when a capable, qualified medical professional comes before the American people willing to apply solutions to our children's most devastating health issues, I must stand up, applaud and offer my utmost support.

I am doing that now for Joycelyn Elders, M.D., nominee for surgeon general.

I have never had the pleasure of meeting Dr. Elders. So when President Clinton nominated her to serve as health advisor to the nation, I took it upon myself as a physician to find out more about her qualifications and, more importantly, about her ideology.

After talking to my professional colleagues, reading Dr. Elders' writings and reviewing the progress of her health programs in Arkansas as state health director, I can truly say that I admire her.

In approximately six years, she nearly doubled the number of two-year-olds receiving immunizations. She instituted a screening program for sickle cell anemia that now covers 40,000 infants. And she pushed for school-based clinics that helped reduce the teen pregnancy rates in many Arkansas high schools.

As a pediatrician, I was trained to protect and promote the health of children. So was Dr. Elders. I know neither one of us believed when we began our medical careers that we would be treating children who have contracted AIDS, who have abused alcohol and other

drugs or who have become pregnant at age 15. But, unfortunately, that is today's reality.

No matter how hard we, as medical professionals, espouse the benefits of prevention programs, children will fall through the cracks -- too many already have. Prevention and early intervention are the only ways to make a dent in the high cost of band-aids at the other end.

Dr. Elders has proven throughout her career that she is concerned about the health and well-being of *all* children, including those who, for whatever reason, did not get the help they needed to prevent their health problems from occurring.

It is precisely those kinds of concerns that have led her to come up with ideas and programs that span the range from public health to childhood education and incorporate some of the most sensitive and difficult problems that face our children today. Her willingness to open a frank dialogue on these issues has led to both real progress as well as fierce opposition. And the reality is that the controversy is rooted in the pervasiveness of these problems, not in Dr. Elders' solutions.

She knows that a whole nation will be at risk if too many of our children are born unwanted and grow up unhealthy and undernourished. And she is willing to fight to eradicate disease and abuse and other scourges that put harm in children's way, even for the most controversial health issues. Such courage and conviction are qualities sorely needed in a surgeon general.

Dr. Elders is a leader that can make a positive impact on society as a whole, and on children, in particular, with the opportunities and challenges that lie ahead of us as a nation.

Let's quit talking and start doing. Let's confirm Joycelyn Elders, M.D., as surgeon general. We would be lucky to get someone so qualified and so passionate.

THE WHITE HOUSE

WASHINGTON

July 18, 1993

TO: Alexis Herman
FROM: Marilyn Yager
RE: Joycelyn Elders Nomination

WEEK AHEAD

Monday - 1:15 pm (tentative) ASTHO Health Officials
Press Availability
Senate Press Gallery (needs to be
requested by Pryor, and can Pryor
be with them [or possibly
rockefeller])
This is George Degnon's group.
(I am trying to get Brazelton
there - he is going to call me
back)

1:30 pm ASTHO Health Briefing for Senate
Health Staff.
430 Dirksen SOB
CLOSED TO PRESS
George Degnon, ASTHO
Dr. Peter Dohler, Pres. Oregon
Health Science's University
Dr. Walter Faggett, Nat. Med. Assn.
Dr. Betty Lowe, Pres.elect, Am.
Academy of Pediatrics
Dr. David Smith, Commissioner,
Texas Dept. of Health

Tuesday - 1:30 pm Dr. Elders meets with the House
Congresswoman's Caucus
This is the Caucus's Task Force on
Children, Youth, and Families,
Chaired by Rep. Cynthia McKinney
Press Spray at beginning -
otherwise closed to Press.
(Leslie Primmer, Caucus Exec. Dir.,
and I are discussing having a
contingent of Reps. move to the
House press room afterwards.)

Page Two

Wednesday - Wade Henderson, NAACP, may schedule a broad base group press conference.

Or we are pursuing the idea of a Parents/Teachers/School Board organization press conference.

Thursday - Hopefull, Dr. C. Everett Koop. I have called him, no response yet.

State Health Officials are meeting with Dr. Phillip Lee, Asst. Sec. for Health, HHS. They would welcome suggestions on how to use this meeting for a press opt.

Friday - 10:00am Senate Labor and Human Resources Committee Hearing
430 Dirksen SOB

OP-EDS

Brazelton I have asked him to do an op-ed. If he agrees, we can have him use the one we prepared for Koop.

Al From Communications is drafting one for him. He is waiting for the draft.

Roselyn Carter/
Betty Bumpers They have drafted one on the "Every Child by Two" letterhead Skip is conforming it to op-ed style.

SURROGATES

Dr. T. Barry Brazelton - He will publicly support. I have yet to confirm with him to what degree he is available.

George Degnon
Exec. Dir.
Assn. of State
Territorial Health
Officials Excellent - he is already doing press, he is on Larry King Radio on Monday and did WRC radio last Friday.
Available extensively.

Dr. Walter Faggett
Nat. Medical Assn.
African-American He did CNN Cross-Fire on Friday
He is available.

Page Three

Dr. Betty Lowe
President-Elect
Academy of
Pediatrics

She is available - she kicked off
the Tuesday press conference Am.
sponsored by the Am. Academy of
Pediatrics

Dr. David Smith
Commissioner
Texas Dept. of
Health

He is participating in the ASTHO's
Monday briefing and press avail.

Dr. Peter Kohler
President
Oregon Health
Science's Univ.

He is participating in the ASTHO's
Monday briefing and press avail.

Dr. Dorothy Height
President
Nat. Council of
Negro Women

She participated in last Tuesday's
Press Conference

Keith Geiger
President
Nat. Education
Assn.

He participated in last Tuesday's
press conference.

Thom W. W. Fassett
General Secretary
United Methodist
Church & Society

He participated in last Tuesday's
Press conference. (Jane Hull-Harvey
participated in Friday's press
avail)

Wade Henderson
Exec. Dir.
NAACP

He participated in Friday's press
avail at the White House

cc: John Podesta
Mark Gearan
Ricki Seideman
Liz Bernstein
Jerry Klepner
Rahm Emanuel

Sat - 5⁰⁰ pm - Phone Call : Podesta

Sun - Elders meets with Gov. Tucker
resigns
Flies back with POTUS

- Letter of resignation
- Elders' statement
- Tucker statement

- 11⁰⁰ am EST > Press Conf. Call

Mon - People for Am Way / Medical ^{Coalition > 200} : ~~press conf~~
- 7:00 am - Mtg on Elders ^{Grass Degnan}

Tues - Women's Caucus / House
- Mitchell - Senate Women: maybe

Wed - Coalition Press Conf
Thurs

Theresa Bougeors
224.4781

Surrogates

Pryor ✓

Mike Kulisli ✓

Carol M.B. ✓

Myfume ✓

Cleanor

Schroder

Cynthia McIlwain

Waters

Kennedy?
Rockefeller?
Waxman?
McDermott?
Dingell?
Cooper
Boren
~~Stark~~

George Deagan
non-committee Republicans

- Koop : ^(ACH) Deadline
- Brazelton

[Tuesday PM]

12:00 PM

- ① Objective for Week - Where is WLT?
- Force Public with Record
- Submerge negative issues

② List of Surrogates

* Columnists

* Op eds [ed. Birds]

* Morning shows

* Radio - saving votes

* Regional Press in target states

* Ed Birds

* DNC

③ Daily TP's

Reporters

Times - Tam Friedman
Post - John Schwartz
CSM - Linda Feldman
WSJ - Mary Stout
CNN - Jeff Levine
AP - Rick Vernaci
NPR - Joanne Folbreuner
LAT - Marlene Simmons
USAT - Mimi Hall
- Richard

ANSWER TO JOYCELYN ELDERS' SOCIAL SECURITY ISSUE:

It was not initially clear to Dr. Elders or to us, based on our conversations with her, that the home health care worker who cared for Coach Elders' 97 year old mother was an employee of Dr. Elders. It is still not clear. The health aide was compensated with her mother-in-law's funds and was claimed as an expense on her mother-in-laws taxes, through an arrangement made first by Coach Elders' father and continued after his death by Coach Elders. Coach Elders has publicly stated that the social security taxes and any other appropriate taxes will be paid and is in the process of doing so. This would be in compliance with our policy.

CC: ✓ Gearan
Myers
Bernstein
Rutherford
Lavelle/Klepner/Rabb
Childress/Bourgeois

United States Senate

WASHINGTON, DC 20510

**JOINT STATEMENT BY
SENATORS KENNEDY AND KASSEBAUM
ON THE NOMINATION HEARING OF
DR. JOYCELYN ELDERS**

We have agreed to reschedule from July 16 to July 23. The hearing by the Senate Committee on Labor and Human Resources on the nomination of Dr. Joycelyn Elders to be Surgeon General.

The additional time will enable the committee to obtain and review banking documents in the possession of the Comptroller of the Currency that will clarify outstanding issues.

hostile takeover

people who win want to get the rest of the stock
to reform, revamp

They therefore initiated civil lawsuit against Directors -
charged violations of federal law. Some serious and some not.
One was loan to former Gov Dan Walker.
Can't tie one loan to another loan - fed law.

She was a director and may have authorized illegal tie-in to
another loan -- did so under bad advice.

Like a lot of other bank directors, a lot happened in her name
she didn't know about. hundreds of people like her.

Lawsuit is going to be settled, but complaints are still there.

Documents are not public documents. We'll have to subpoena the
docs. or have Kennedy/Kassenbaum request certain information - to
go thru the docs.

Virtually confident that we have no probs -- unless she's misled.

One client of bank -- Hodges -- made a lot of borrowing. One
particular case where Walker came to bank. Officer said they
would loan money if you take over one of the Hodges' loans. When
the President of bank discovered, said they don't have authority
to do so. Wired money back. Prob is bank President believes its
possible that the board may have authorized loan to Dan Walker
which looks like a quid pro quo.

=====

Mark Childress x 40767

MARK GEARAN

- TY

- Alexis B'day

- Press -

Go Nose to Nose

Use our vocal
Support

- In concert with
Senate Comm.

WMA

WALTER L. FAGGETT, M.D.

PEDIATRICS

CAPITOL AREA HEALTH SERVICES
700 CONSTITUTION AVENUE, N.E.
FIRST FLOOR
WASHINGTON, D.C. 20002

OFFICE HOURS
BY APPOINTMENT

TELEPHONE (202) 546-9060

TALKING POINTS FOR DR. JOYCELYN ELDERS

Pending Lawsuit Regarding Elder's Tenure as Bank Director:

Charge: Senate confirmation hearing has been delayed so that Senate Labor Committee Minority members can look into allegations that Elders and other Directors of National Bank of Arkansas engaged in improper lending practices and other improprieties.

Response: The Senate Labor Committee has delayed Dr. Elders' hearing until July 23rd so that committee members can gather and examine records that pertain to the period 1979-89 during which Dr. Elders was one of the directors of the National Bank of Arkansas and a lawsuit that was filed in the aftermath of a hostile takeover.

Social Security Taxes Unpaid on Home Health Aide:

Charge: Audrey Faye Ruffin, home health aide paid by Dr. Elders' husband without payment of social security taxes or income tax withholding on salary paid for care of Dr. Elders' mother-in-law.

Response: It was not initially clear to Dr. Elders or to us, based on our conversations with her, that the home health worker who cared for Dr. Elders' 97 year old mother-in-law was an employee of Dr. Elders. It is still not clear. The health aide was compensated with her mother-in-law's funds and was claimed as an expense on her mother-in-law's taxes, through an arrangement first made by Coach Elders' father and continued by Coach Elders after his father's death. Coach Elders has publicly stated that the social security taxes and any other appropriate taxes will be paid and is in the process of doing so. This would be in compliance with our policy.

Allegations Circumventing Arkansas State Salary Cap and of Double-Dipping from Arkansas state and Federal payrolls:

Charge: Dr. Elders has been receiving her full pay as Arkansas State Health Director while she has been working as a federal consultant to the Department of Health and Human Services.

Response: State Legislative Council approved an arrangement to allow Dr. Elders to remain an employee of University of Arkansas Medical School while she served as State Health Director because she still lectured and consulted at the Medical School. This arrangement allowed her to retain her salary but more importantly, to retain her tenure and protect her retirement investment that she began when she joined state government in the early 1960's.

Dr. Elders has worked as a paid expert to HHS for 2 days a week since April 18th using annual leave days accrued to her on her job in Arkansas. There is no prohibition in law against the use of her vacation days to work as a consultant. She is paid at the rate of \$550 plus expenses. She has been in Washington for an extended period since July 5th but she is still using vacation time she accrued.

TALKING POINTS FOR DR. JOYCELYN ELDERS

Pending Lawsuit Regarding Elder's Tenure as Bank Director:

Charge: Senate confirmation hearing has been delayed so that Senate Labor Committee Minority members can look into allegations that Elders and other Directors of National Bank of Arkansas engaged in improper lending practices and other improprieties.

Response: The Senate Labor Committee has delayed Dr. Elders' hearing until July 23rd so that committee members can gather and examine records that pertain to the period 1979-89 during which Dr. Elders was one of the directors of the National Bank of Arkansas and a lawsuit that was filed in the aftermath of a hostile takeover.

Social Security Taxes Unpaid on Home Health Aide:

Charge: Audrey Faye Ruffin, home health aide paid by Dr. Elders' husband without payment of social security taxes or income tax withholding on salary paid for care of Dr. Elders' mother-in-law.

Response: It was not initially clear to Dr. Elders or to us, based on our conversations with her, that the home health worker who cared for Dr. Elders' 97 year old mother-in-law was an employee of Dr. Elders. It is still not clear. The health aide was compensated with her mother-in-law's funds and was claimed as an expense on her mother-in-law's taxes, through an arrangement first made by Coach Elders' father and continued by Coach Elders after his father's death. Coach Elders has publicly stated that the social security taxes and any other appropriate taxes will be paid and is in the process of doing so. This would be in compliance with our policy.

Allegations Circumventing Arkansas State Salary Cap and of Double-Dipping from Arkansas state and Federal payrolls:

Charge: Dr. Elders has been receiving her full pay as Arkansas State Health Director while she has been working as a federal consultant to the Department of Health and Human Services and her salary exceeded the state salary cap.

Response: State Legislative Council approved an arrangement to allow Dr. Elders to remain an employee of University of Arkansas Medical School while she served as State Health Director because she still lectured and consulted at the Medical School. This arrangement allowed her to retain her salary but more importantly, to retain her tenure and protect her retirement investment that she began when she joined state government in the early 1960's.

Dr. Elders has worked as a paid intermittent expert consultant to HHS for 2 days a week since April 18th using annual leave days accrued to her on her job in Arkansas. There is no prohibition in law against the use of her vacation days to work as a consultant. She is paid at the rate of \$443 per day plus expenses. She has been in Washington for an extended period since July 5th but she is still using vacation time she accrued.

It has been common practice for Presidential and Senate nominees to serve as expert/consultants pending their confirmations.

Conflict of Interest on Planned Parenthood Contract:

Charge: Dr. Elders wrote a letter endorsing Planned Parenthood of Greater Little Rock which was one of 13 competitors for an AIDS Education grant from the Arkansas Health Department while Dr. Elders was director. The bid was successful and PPLR was one of three agencies awarded grants.

Response: The Arkansas Health Department had \$50,000 in federal funding for AIDS education projects made available through the CDC. The applications for grants were reviewed by a seven-person panel, 4 of which were not state health department employees. PPLR requested \$15,000 but received only \$4747.

Dr. Elders did write a letter on behalf of PPLR but she was not a board member and had no influence whatsoever on the grant award process. She had final administrative review only.

Honoraria for Elders Speaking Engagements:

Charge: Dr. Elders violated state law by accepting thousands of dollars in honoraria for speaking engagements all over the country.

Response: Dr. Elders turned over all honoraria to Univ. of Arkansas Public Health Fund, a foundation at her school. All expenditures from the fund required three sign offs -- University Chancellor Harry Ward, the fund administrator and the director of the foundation. All expenditures have been completely justified and absolutely aboveboard.

Elders Hired Controversial Medical Examiner

Charge: Dr. Elders hired medical examiner Fahmy Malak as State AIDS Consultant despite the fact that juries have reversed his findings and his work has been repeatedly challenged by outside pathologists. Malak's hiring continues Bill Clinton's pattern of covering up for Dr. Malak who together with his mother, Virginia, were defendants against an unsuccessful charge of medical malpractice in the death of one of Malak's patients.

Response: Dr. Elders hired Dr. Malak to consult on AIDS issues in 1991 and he has reportedly performed his duties effectively and efficiently. For several years before Dr. Malak retired as State Medical Examiner, his performance was reviewed by the Arkansas Crime Lab Board and/or the Medical Examiner Commission. It was their decision to retain him.

Department of Health & Human Services

A Fax Message from:

Avis LaVelle

Assistant Secretary

For Public Affairs

200 Independence Ave, SW,

Room 647-D

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Phone: (202) 690-7850

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TO: Ship RutherfordUS H Chief of Staff OfficeFAX: 456-1121 PHONE: 456-6797DATE: 7-16-93 TIME: VIATOTAL number of pages sent,
including this one: _____Remarks: Please not recalculate pay for
Dr. Elders.

Comment

ON THE NATION

Elders Is
an Insult to
People of Faith

BY PATRICK RILEY

President Clinton has thrown all the clout at his command behind his nominee for surgeon general, Dr. Joycelyn Elders. His most pressing reason has nothing to do with Elders—a personal friend—or her fitness for the job. Clinton simply cannot abandon another black nominee after the Lani Guinier fiasco.

But unlike Guinier, whose radical political solutions to racial problems had to be ferreted out of recondite law reviews, Elders broadcasts her hair-raising ideas to any and every audience.

Moreover, Elders' record as head of the Department of Health in Arkansas is a resounding flop. The statistics are utterly damning, and our President well knows it. Why he would nominate her to be surgeon general of the United States remains a deep and perhaps insoluble mystery.

Until her nomination, Elders' claim to notoriety rested on her aggressive promotion of condoms among schoolchildren.

Condoms, in the Elders scheme of things, are a realistic if regrettable way to avoid teen-age pregnancy, venereal disease and AIDS.

But it hasn't worked out that way. Before Elders took office, teen pregnancies in Arkansas had been on their way down, declining 10% between 1980 and 1985. After she took over, with condoms everywhere but on lunch trays, teen-age pregnancies in Arkansas hit a 10-year high and kept going up—a 13% rise since 1985.

And venereal disease? Recent figures from the Arkansas Department of Health show that syphilis, on the decline in the mid-'80s, is on the upswing again. Since 1989 alone, syphilis rates doubled, then climbed another 30%.

One definition of a fanatic is someone who redoubles all efforts when the ideas behind them prove worthless. Elders, bleeding from the beating she and her pet ideas have taken, forges resolutely on. She turned a blind eye to a Food and Drug Administration report that the condoms distributed in Arkansas by the millions were defective. Although they failed at a rate more than 10 times higher than the FDA considered acceptable, although Elders' stated purpose in distributing them was to cut down teen-age pregnancy and sexually transmitted diseases, she refused to alert the public to this danger.

At the same time, Elders has treated her opponents with open contempt, not to say calumny. Those who oppose abortion are "very religious non-Christians" who "love little babies as long as they're in somebody else's uterus," and who suffer from "slave-master mentalities."

In an address in the Capitol in Little Rock, Elders declared: "Look who's fighting the pro-choice movement: a celibate male-dominated church." This pretty well identified the church she was complaining about, which she further insinuated was to be blamed for slavery, for the destruction of Native American culture, the Holocaust and...

EDITORIALS of THE TIMES

Unraveling Red Tape

Wilson seeks to aid business by reforming permit process

In these difficult times in California, when every penny shaved here and there is seen as important to the bottom line, the governmental red tape that ensnarls business can create even more difficulty and costs than usual. Delays in securing permits and the processing of applications and redundant state requirements are the kinds of headaches that companies, entrepreneurs and investors all want to avoid more than ever before.

This is especially true in light of the lingering recession and the structural changes in the state's mainline industries, defense and real estate. To ease the burden of government requirements, Gov. Pete Wilson is taking several steps to streamline the regulatory and permitting process. Among them is creating five more one-stop permitting centers like the one now in place in South-Central Los Angeles. The goal is to consolidate requirements of different state agencies at various loca-

tions across California.

The governor's reforms also include a top-to-bottom review of every regulatory board and department in the California Environmental Protection Agency.

A tracking system will help determine how long state permits take to be issued, and businesses will be able

to register complaints in customer service surveys.

These are logical next steps in Sacramento's recent efforts to improve the state's competitiveness. Employers

should be able to save money because of the recent overhaul of the workers' compensation system. The governor, to his credit, also has signed off on deregulating workers' comp insurance rates—an important step.

Wilson is declaring that "California is coming back," but the state has a long way to go, of course. An element critical to recovery is a collective public-private effort to nurture and thrive on change, not resist it.



I hope to be forgiven for speculating that Elders' wild accusations would have raised a storm in the political arena and in the media had her targets been other minorities. But Christians don't count. Catholics aren't anointed victims. Media bias against the Catholic Church and its teachings has been documented in a study by the Center for Media and Public Affairs, sponsored by the Knights of Columbus and the Catholic League for Religious and Civil Rights.

Now, I have no window into Dr. Elders' soul. But there is a historic hostility between, on the one hand, traditional religious respect for human life and its source, namely sex, and, on the other hand, pagan disregard for both.

It's found most graphically in the Prophets, such as Isaiah, Jeremiah and Ezekiel, who denounced the sexual profligacy of the tribes surrounding Israel, and their ritual slaughter of children. It's found also at the very first council of the Christian church, in Jerusalem, when Peter and Paul debated whether pagan converts to the new faith were to be bound by Mosaic law. The solution was starkly simple: New Christians were to be distinguished from the pagans they lived among in three ways only: They were to avoid anything savoring of false worship; they were to show their respect for life, even by avoiding meat that still held blood, and they were to avoid sexual misbehavior.

So Christians and Jews have history on their side when they see the assault on sexual mores and on the life of little children as an assault on their religious beliefs. This is as good a reason as any for opposing Dr. Joycelyn Elders.

Patrick Riley teaches philosophy at Catholic University of America in Washington.