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001. talking points	Personal [partial] (2 pages)	00/00/0000	b(6)
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2011-0584-F

jm1514

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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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]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- 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 concerning wells [(b)(9) of the FOIA]

Ethics Mtg on Press Numbers

11/23/93

- Steve Potts
 - Jane Lay
- } office of Gen Ethics

key - FCC asked in '88 - memo issued on
free funds. Press was prohibited
source. Ftt the test since 1965.
- sub'tially affected by ...
- regulated by ..

Potts - If Sponsoring orgzn xtns inute - its OK
the only thing specified: can't get around
it by having network give \$ to orgzn
for express purpose.

- Someone old apply for rule Δ
30 days comment then dec.

- Exec Order 12.6.74
- and then one old Δ it,

1.) Start at random

2.) Pay at cost of driver



November 24, 1993

file

To: Bernie Nussbaum
David Gergen
Mark Gearan
Jody Greenstone
Cheryl Mills
Kathleen Whalen

From: Beth Nolan *BN*

Re: Press Dinners

Attached is a draft memorandum for the President outlining the issues we have been working on. It is drafted as a Counsel's Office memo, but please note that Bernie is receiving this at the same time as everyone else, so he may have very different views about that. In any event, the form of the memo is certainly open to discussion. In fact, all of it is open to discussion. I drafted this quickly and have had no time to refine it, so please feel free to recommend changes big or small.

My aim is to provide the President with information both about the desire for the changes and the drawbacks to proceeding with such changes, so that he can make an informed decision. If I have not done justice to the concerns of the press, please let me know how I can rectify that.

DRAFT

November 24, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: BERNARD W. NUSSBAUM
COUNSEL

CHERYL D. MILLS
ASSOCIATE COUNSEL

BETH NOLAN
ASSOCIATE COUNSEL

SUBJECT: Press Meals

ACTION-FORCING EVENT

Dinners sponsored by the Washington Press Club Foundation, the White House Correspondents, the Gridiron Club, and the Radio-TV Correspondents (the news organizations) are scheduled in January, March, and April 1994. Under current ethics rules, these dinners cannot proceed as they traditionally have. In the view of the sponsors, modification of the dinners to comport with the ethics rules would significantly alter the character of these dinners, and might in some cases make the dinners unsuccessful.

Last year, because of the short lead time between the effective date of the rule and the dinners, and recognizing the integral role the press plays in communicating with the public, Bernie Nussbaum provided a six-month grace period from full enforcement of the rule for press dinners; this amnesty was to provide news organizations with time to plan future events consistent with the rule. That grace period ended in August 1993. The upcoming dinners now require us to determine if we are going to take any action, including making make a request of the Office of Government Ethics to modify the ethics rules to accommodate the press dinners.

These discussions have also prompted reconsideration of the prohibition on accepting lunches or dinners worth more than \$20 at a time (to a total of \$50 annually) from members of the press. This prohibition precludes Administration officials from accepting most lunches and dinners from members of the press. We must also consider, therefore, whether we want to seek a rule change that encompasses only the press dinners, or one that also encompasses one-on-one meals with the press.

BACKGROUND

The Ethics Rules

Administration officials' attendance at press dinners or their acceptance of meals in a one-on-one situation with reporters, is governed by the Standards of Ethical Conduct for Employees of the Executive Branch, which became effective on February 3, 1993. These rules were promulgated by the Office of Government Ethics (OGE) pursuant to Executive Order 12731 and 5 U.S.C. § 7353.

The ethics rules define when it is appropriate for government officials to accept proffered gifts (including free attendance at events such as dinners). The rules are not directed merely at gifts from "lobbyists." Instead, these rules restrict the acceptance of invitations from any non-federal source, if the invitation is offered because of the official's position. Press dinner invitations clearly are offered to Administration officials because of their official positions.

Moreover, the rules control the acceptance of gifts from "prohibited sources"--persons or organizations that have business before the official's agency, or whose interests may be affected by the performance or nonperformance of the official's duties. OGE takes the position that reporters covering the government are persons doing business with the White House, and are persons whose interests can be affected by the performance of Administration officials' responsibilities, and are thus prohibited sources. This is a position OGE has taken for some time, but its applicability to press dinners became clear only with the new ethics rules.

Press Dinners

The gift rules have a number of exceptions, one of which is important for the annual press dinners. This exception permits an Administration official to accept a gift of free attendance at a "widely attended gathering," such as a press dinner, if certain conditions are met. Specifically, (1) there must be a determination that it is in the agency's interest for the official (or a group of officials) to attend, (2) the invitation must not be solicited by the official, and (3) the invitation must be from the sponsor of the gathering.

Because opportunities for the press and Administration officials to socialize are valuable and important, we anticipate that agencies would readily determine that it is in their interests for their officials to attend the traditional press dinners. So long as the invitation is unsolicited, then, the remaining

requirement is that the gift come from the sponsor -- that is from the Washington Press Club Foundation, the Gridiron Club, the Radio-TV Correspondents, or the White House Correspondents (collectively "news organizations"), as appropriate, rather than from individual news companies.

This latter requirement is the one that the news organizations find unacceptable. Traditionally, news companies invite certain members of the Administration to attend various press dinners as their guests. Thus, CBS News might invite an Assistant to the President or a Cabinet Secretary (or both) to attend the White House Correspondents dinner. If the official accepted, CBS would pay the cost of the ticket (normally somewhere between \$125 and \$250), and be assured that the official would sit at a CBS table at the event.

The requirement of the widely-attended-gathering exception that the invitation come from the sponsor changes this traditional arrangement in several ways. First, CBS may no longer invite an Administration official directly. Instead, the news organization (e.g., the White House Correspondents Association) must decide whom to invite. Second, the news organization must pay for the official's dinner, although it may collect donations, or impose surcharges, on its members to make up the lost revenues. Third, CBS may no longer be guaranteed which officials will sit at its tables; seating must be decided by the inviter--the news Association.

We have sought to work with the news organizations to make the dinners work under the rules. For example, we have suggested that an official would be permitted to indicate to the sponsoring news organization where he or she would like to sit, which is a system that could function as the equivalent of accepting an invitation directly. We also have recommended that major news companies co-sponsor the dinners, or that they participate in the sponsoring organization's dinner committee, so that they may have more direct input on invitations and seating. In addition, we have recommended having a discounted price for government officials, who would pay for their own dinners, but only \$35 or so, rather than \$125-250.

Each of these alternatives is considered unsatisfactory by the press organizations. The proposed practices are administratively burdensome. Moreover, the proposed practices fail to replicate the historic practices of the dinners, because news companies would no longer be able to ensure that those officials whose company they most desire would sit at their tables. Ultimately, the news organizations fear that the changes we have recommended

will make the dinners so unattractive that news companies will no longer support them.

One-on-One Meals

The ethics rules also bar Administration officials from accepting lunches or dinners from working reporters. Officials generally may not accept such lunches or dinners if they cost more than \$20 (and may accept no more than \$50 from any one source in a year). This does not prohibit Administration officials and journalists from enjoying more frequent or more elaborate meals together, but the official must pick up his or her own tab.

Reasons to Change the Rules for Meals with the Press

The problems described above are ones that apply generally to any persons or entities that invite Administration officials to organized dinners or one-on-one meals. That is, the rules apply equally to dinners paid for by law firms, corporations, lobbyists, contractors, potential appointees, and journalists-- anyone who might have business before one's agency, or who offers a meal because the official works for the government. The news organizations with which we have dealt, and White House officials including David Gergen and Mark Gearan, believe that the role of the press in our democratic society requires a different rule for press meals. This different rule would acknowledge the special role of the press in reporting on government functions and the need for government officials and the press to meet in settings outside the office to build relationships of trust. It would specifically exempt meals with reporters from the full restrictions of the gift rules.

In the view of the news organizations (and Administration officials who deal most often with the press), the ethics rules have unnecessarily changed longstanding Washington practices, with the result that government-press relationships are suffering and thus reporting to the American public about government operations is ultimately hindered. From the perspective of White House officials who work closely with the press, the rules do in fact impair our relationships with the press. The impediments to socializing--whether formally at press dinners, or casually over meals--translate into chilled relationships with reporters, and those weakened relationships mean that reporting of White House matters can be negatively affected.

That is, reporters are not like other non-federal sources. The good relationships developed between officials and press are ones that benefit the government as much as the press. This relationship is one that has long been respected and nurtured by

both government and press, and the ethics rules have interfered with this relationship by failing to take account of these special differences.

These concerns argue for new rules to permit socializing on the terms that members of the press are seeking. While one might argue that Administration officials should just pick up the costs of their meals, such a proposal has a disproportionate effect on Administration officials who cannot afford to go out to dinner all the time.

Potential Objections to Modifying the Rules

In fashioning a new rule, special care would be required to ensure that an exception for the press would not be overbroad. For example, the exception should not permit regulators to accept gifts from news companies they regulate (some immediate examples are the Federal Communications Commission, the Department of Justice Antitrust Division, or the Securities & Exchange Commission). Moreover, the exception should not permit Administration officials to accept extravagant meals--a concept that would require some definition. The exception must define "press" with sufficient precision. An exception should not exclude the press altogether from the gift rules, since it is important that they still be forbidden to give tangible gifts to government officials. Most importantly, an exception must be one that is consistent with the obligations of the federal criminal laws, particularly the prohibitions on bribes and gratuities in 18 U.S.C. § 201 and the prohibition on supplementation of salary in 18 U.S.C. § 209.

These matters will require coordination with the Office of Government Ethics and with the Department of Justice, but they are presumably ones that can be resolved satisfactorily. Before deciding whether to pursue that route, however, we think it is important to consider the possible negative aspects of seeking such a change.

Because the gift rules are based both on Executive Order and on statutory directive, OGE must be persuaded to change the rule. If it is so persuaded, OGE will publish the proposed change, indicating that the request is from the White House, and seeking public comments. Officials at OGE have offered to work with us to identify an appropriate recommendation, but they also have predicted that there will be significant objection to such a change. (They have not yet committed to going forward with any request, beyond agreeing to work with us to develop one.)

In its worst light, the proposed modification could be viewed as a lack of commitment to following the ethics rules when they are inconvenient for White House officials. To a large extent, the press dinners are viewed as particularly important to the White House, while other dinners are important to other agencies. That is, dinners given by manufacturing associations, environmental groups, etc., are still subject to the rules, even though it might be very important for Commerce or EPA officials to attend such events and develop good relationships with the various entities. Perhaps of more significance, events of even charitable groups, such as the Childrens Defense Fund, the National Womens Law Center, and the Kennedy Center, are also covered, to name just a few we have worked with lately. That is, all other organizations have been required to change their traditional events, but the press would be offered a special exception that might be thought to be of particular benefit to the White House.

Second, we would be saying that it is not sufficient for Administration officials to attend the press dinners, but that it is somehow so critical that they be able to go with particular reporters from particular news companies that it is necessary to amend the ethics rules. This may be very difficult to explain from a public relations perspective.

Third, the worst view of a change to permit one-on-one meals is that we would be seeking to get free meals for Administration officials, or that it is necessary to ply an Administration official with food and wine before that official will speak with a reporter. Reporters and officials can still have meals together under the current rules, but officials must pay for meals over \$20, and must accept no more than 2 or 3 such meals a year (\$50 maximum). We would be arguing that the only way to nurture the press-official relationship is to have the press pay for it.

The ethics ^{appearance} rules are designed to protect against the actuality and reality that public officials are trading on their official positions, that benefits to them change the conduct of official business, or that persons outside the government must pay a premium to have an official perform his or her responsibilities. A change in the rules to permit government officials to accept meals from the press at a different level from other outside organizations or persons implicates all those concerns, at least from a public relations perspective.

OPTIONS

1. Seek a change in the ethics rules to permit press dinners to continue as they traditionally have.
2. Seek a change in the ethics rules to permit press dinners to continue as they traditionally have, and also to permit unlimited one-on-one meals from reporters at a reasonable rate above \$20.
3. Seek no changes in the rules.

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The Washington Post

December 14, 1992, Monday, Final Edition

SECTION: FIRST SECTION; PAGE A21; THE FEDERAL PAGE

LENGTH: 701 words

HEADLINE: Clinton's Ethics Rules: Balance or Barrier?

SERIES: Occasional

BYLINE: Stephen Barr, Washington Post Staff Writer

BODY:

President-elect Clinton's ethics rules for his new administration fulfilled his pledge to tighten post-employment restrictions on senior executive branch employees, but specialists in ethics continue to debate whether -- beyond lobbyists -- the rules will discourage potential recruits to government ranks.

Geoffrey C. Hazard Jr., a Yale law school professor, foresees problems. "My own impression is that the difficulties they're going to have will be at the second and third levels of the government. . . . People who have been in the private sector would have to think a long time before making that kind of foreclosure on their professional involvements."

G. Jerry Shaw, general counsel for the Senior Executive Association, agreed. "There are few lawyers, few accountants, that are going to be able to do this without thinking about it. A good example would be the commissioner of internal revenue and the general counsel at IRS. They are going to have to stay away from the IRS for five years, and that is going to work a real hardship on their ability to practice law or go with one of the major accounting firms."

Shaw added, "You better be somebody relatively through with your career when you take that kind of pledge, because you're going to have to change professions when you quit."

Stuart E. Eizenstat, a lawyer and domestic policy adviser in the Carter White House, viewed the new rules as tough, but not as a major problem.

"There's a very delicate balance between disclosure coming in and stopping the revolving door going out and the need to attract top-rate people," Eizenstat said. "I don't see anything here that in any major way will deter people who are committed to serve from doing so."

The Clinton rules, which were announced last week and will be issued in an executive

order when he takes office, cover about 1,100 appointees. They will:

Extend to five years the existing ban on lobbying one's agency. During the five years, former White House officials could not lobby any agency "with respect to which they had substantial personal responsibility."

Ban senior officials for life from representing foreign governments, although the ban does not cover foreign corporations.

Forbid trade negotiators to "represent, aid or advise" foreign governments, political parties or corporations for five years after service.

Donald J. Devine, who headed the Office of Personnel Management in the Reagan administration, said he thinks the rules won't stop outgoing officials from cashing in on former government service. Large firms will continue to hire ex-officials for behind-the-scenes advice and knowledge, leaving it to another member of the firm to do the actual lobbying, he said.

"The idea that this is some kind of a real breakthrough is preposterous," he said. Lobbyists "get paid mostly for the people they know. It is a social network. Everyone in Washington is busier than the number of hours in the day. The secret to lobbying is to get someone to listen to a call or to meet with somebody."

But Mark D. Cowan, who worked in the Reagan Labor Department, disagreed. The idea that firms will employ a "front person" to do their lobbying "is a bogus assertion, as one cannot maintain strong relationships, and therefore influence, over a five-year period through surrogates."

Cowan, chief executive officer of The Jefferson Group, a government relations firm representing 85 corporations, offered a different view on how the Clinton rules would affect "third tier" federal employees.

He suggested that the approximately 2,000 presidential appointees left covered by current law and its one-year ban on lobbying will become the "next target" for lobbying firms trying to hire specialists. "Some of them are influential, have access to vast amounts of information, and the contacts. They'll have the knowledge and the access," Cowan said.

Michael Waldman, deputy communications director for the transition, said Clinton advisers thought "a balance, the right place to cut it off," had been achieved in the rules. Waldman said the new administration will follow up the new rules with legislative proposals for "lobbying reform and campaign finance reform."

LANGUAGE: ENGLISH

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Orlando Sentinel Tribune

January 23, 1993 Saturday, 3 STAR

SECTION: EDITORIAL; Pg. A16

LENGTH: 409 words

HEADLINE: TOO MANY HOLES IN ETHICS NET

KEYWORD: PRES BILL CLINTON ETHIC GUIDELINE FEDERAL GOVERNMENT CHANGE

BODY:

President Clinton's first official gesture this week was a welcome one. Less than an hour after being sworn in, he began fulfilling his promise to clean up Washington, signing an order that imposed stricter ethics guidelines on the executive branch.

The move was long overdue. The massive migration of high government officials into lobbying empowers wealthy interests and skews the system. To borrow from the Clinton campaign manifesto, Putting People First, that "revolving door" is a "betrayal of democracy."

To reverse the cycle, Mr. Clinton should stop senior officials from being able to lobby the government immediately after leaving office. There should be no exceptions that allow former officials to sell their connections in the administration to the highest bidder.

That is something Mr. Clinton has yet to do.

Mr. Clinton's new guidelines bar senior administration officials from ever lobbying for foreign interests and impose a five-year waiting period on other lobbying activities. But the rules restrict officials only from lobbying the agencies that employed them. The rest of government is fair game.

The loopholes have not gone unnoticed. At a recent seminar for people seeking jobs in the administration, an editor for the Washington-based weekly publication Legal Times quickly calmed fears about Mr. Clinton's ethics rules, according to The New Republic. "Most legal headhunters and lobbying firms know it's still business as usual," the editor said.

It's a lesson Florida has already learned. Many Floridians who are lawmakers one year become lobbyists the next year, despite a two-year state ban on lobbying after leaving office, which has been around since the 1970s. As in the case of the president's new rules, the Florida law applies only to the agency for which the former government employee once worked. The law was a step forward. But it did not ultimately change "business as usual."

That was a goal Mr. Clinton outlined in his campaign.

"To break the stalemate in Washington, we have to attack the problem at its source: entrenched power and money," he said in Putting People First. "We must cut the bureaucracy, limit special interests, stop the revolving door and cut off the unrestricted flow of campaign funds."

He was right then. And he was right this week to take the step he did. It was an important step toward reforming ethics in government. It should not be his last.

TYPE: EDITORIAL

COLUMN: MAROON

Copyright 1992 The New York Times Company
The New York Times

December 14, 1992, Monday, Late Edition - Final

SECTION: Section A; Page 16; Column 1; Editorial Desk

LENGTH: 189 words

HEADLINE: Topics of The Times;
Ethics in the Clinton Administration

BODY:

The revolving door that allows Government officials to cash in on their access to decision makers after leaving office could be slowed considerably by the ethics rules unveiled last week by President-elect Clinton.

The new rules -- the strictest by any Administration -- will be set out in an Executive Order when Mr. Clinton takes office. They will cover 1,100 high officials, ranging from Cabinet officers to the general counsel and deputy assistant secretaries in each department.

The rules will prohibit these top policy-makers from lobbying their former department or agency for five years after leaving government -- and will impose a lifetime ban on representing foreign governments and foreign political parties. A one-year cooling-off period will remain in effect for other senior officials.

Loopholes remain, and much depends on how the rules are enforced. But the new policy goes far toward meeting the public's desire for cleaner government. The clearest signal on Mr. Clinton's commitment to changing how business is done in Washington is still to come -- his proposal for cleaning up campaign financing.

TYPE: Editorial

SUBJECT: UNITED STATES POLITICS AND GOVERNMENT; EDITORIALS; ETHICS;
LOBBYING AND LOBBYISTS

NAME: CLINTON, BILL (GOV)

December 14, 1992, METRO FINAL

SECTION: EDITORIALS; Pg. B14

LENGTH: 384 words

HEADLINE: THE CLINTON CODE

BODY:

President-elect Clinton's new ethics rules are the toughest ever imposed on senior administration officials.

Under the rules, all of the president's top appointees -- Cabinet secretaries, and their assistant and deputy assistant secretaries -- would be barred for life from lobbying for a foreign government or a foreign political party. They would also be barred from lobbying their own agencies for five years after leaving office. The same goes for White House aides and U.S. trade negotiators. Over a thousand senior Clinton administration officials would be subject to the new Clinton rules.

Those rules don't put a lock on the revolving door -- no rules can -- but they set very tight limits. In a country where more and more citizens are cynical about whose interests the government really serves -- the monied special interests or the wider public's -- the rules are welcome.

Some critics complain that they go too far. They predict that only the very young with no experience and no thought for the future or the very old, those ready for retirement after their government stint, will seek positions with the new administration. Some of the country's most talented individuals, men and women about Clinton's age, vigorous and experienced, but with mortgages not yet paid off and kids still to support through college, will not apply.

Their concern is exaggerated. The midlevel railroad executive who becomes an assistant secretary of transportation, or the Wall Street banker who becomes an assistant treasury secretary can still get jobs with their old industry when they leave government service. They just can't lobby their former colleagues in government for five years. Given the large number of jobs that don't involve lobbying, that shouldn't be so onerous.

The greater danger, the one Clinton is right to worry about, is precisely the one that these rules are designed to prevent: an administration populated with opportunists, high-level bureaucrats more concerned about cashing in on their government experience than serving the public. There will no doubt be problems in some of the details -- they will seem too flexible in some instances and overly restrictive in others -- but no one can seriously argue about the message they send and the tone they set.

Copyright 1992 Chicago Tribune Company
Chicago Tribune

December 9, 1992, Wednesday, EVENING UPDATE EDITION

SECTION: NEWS; Pg. 2; ZONE: C; EVENING. People

LENGTH: 459 words

HEADLINE: Clinton ethics rules aim to 'stop revolving door' of influence-peddling

BYLINE: Reuters

DATELINE: LITTLE ROCK, Ark.

BODY:

President-elect Clinton Wednesday issued unprecedented new ethics standards for appointees to his administration, intended to restrict much more severely the influence-peddling and lobbying of those who leave office.

In making the announcement, Clinton transition director Warren Christopher noted that the president-elect had promised during his campaign to make a major effort "to stop the revolving door" in Washington.

"Today we're announcing rules that keep that promise," Christopher said. "By these rules we seek to change the climate in Washington and bring in a new era of public service."

Two main rules will apply to about 1,100 of Clinton's approximately 3,000 political appointments:

- All must pledge not to lobby their former agencies for five years after leaving the government, compared to one year at present.
- All must pledge never to become lobbyists for foreign governments or foreign political parties, a practice now common among former U.S. officials.

In addition, those who serve on the White House staff must pledge not to lobby any agency for which they have had "substantial personal responsibility" for five years after leaving office.

And trade negotiators must pledge not to lobby for foreign governments or interest groups for five years after their participation in trade talks.

These rules add up to the strictest ethics guidelines ever imposed on officials of a U.S. administration.

Christopher said all top appointees will be required to sign a pledge to abide by the new ethics rules.

Clinton has not yet named any of his Cabinet or top White House aides, but was expected to begin Thursday with the nomination of Sen. Lloyd Bentsen (D-Texas) to be treasury secretary.

Current law bans any former government employee from lobbying his or her former agency for one year. Top officials also are banned from lobbying any Cabinet secretaries and undersecretaries or lobbying on behalf of foreign nations for one year.

The new code, which Clinton can impose by executive order once he takes office, is designed to underscore his vow to slow what he has labeled the "revolving door" between federal jobs and the private sector.

The Arkansas governor has complained that former government officials can become lobbyists too soon and cash in on their public service.

Christopher said the current practice "saps public confidence in the entire political process."

The Clinton administration will be prepared to seek court injunctions to stop violations of the code and sue if necessary to recover income obtained through such practices, Christopher said.

"By these rules, we seek to change the climate in Washington and bring in a new area of public service," Christopher said.

GRAPHIC: PHOTO: Hilary and Bill Clinton admire the miniature replica of George Washington's sword he received Tuesday night at the Democratic Leadership Council dinner in his honor. Reuters photo.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: 12-11-92

Copyright 1992 Gannett Company, Inc.
USA TODAY

December 10, 1992, Thursday, FINAL EDITION

SECTION: NEWS; Pg. 6A

LENGTH: 508 words

HEADLINE: Ethics rules are strictest ever // Affect just a third of appointees

BYLINE: Bill Nichols

DATELINE: LITTLE ROCK

BODY:

Long-promised ethics rules unveiled Wednesday by the Clinton transition team are tougher than existing law, but apply to only 1,100 of the 3,000 appointees the new president will hire.

Rep. Marcy Kaptur, D-Ohio, who is pressing legislation to tighten ethics laws for federal employees, calls the Clinton initiative "a good first step."

She says the requirements must be broader to halt the "revolving door" through which many government appointees who gain expertise and influence jump to high-paying lobbying jobs.

But some say the tougher rules will impede Clinton's ability to bring qualified people into his administration.

"It's easy to get people who are inexperienced and lack maturity to take a job that pays more than they're getting now. But it's a lot more difficult to get top people to leave good jobs and take a pay cut to come into government service, and then limit what they can do once they leave," says Republican consultant James Lake, a former Bush campaign aide who has not worked in government but is a foreign lobbyist.

Under the new rules:

- Top appointees paid \$ 104,000 and up must pledge not to lobby agencies for which they worked for five years after leaving government. The present ban is one year.
- They must pledge never to become lobbyists for foreign governments or foreign political parties, a practice now common among ex-officials.
- Trade negotiators must agree not to lobby for foreign governments or interest groups for five years after their participation in trade talks.

- Those on the White House staff would be banned from lobbying any agency for which they have had "substantial personal responsibility" for five years after leaving office.

Those rules add up to the strictest ethics guidelines ever imposed on officials of a U.S. administration. They would be enforced by making the officials sign a written pledge. Should the pledge be broken, the government could sue to recover money made from improper activities.

The new rules are meant to give life to the symbolism Clinton often evoked in the campaign - vowing to clean up corruption in Washington.

They also should appeal to supporters of Ross Perot, who targeted the "revolving door" syndrome in his campaign.

"No doubt these rules will make some unhappy," said Warren Christopher, Clinton transition director, himself a well-known corporate lawyer in Los Angeles. "But we believe it's time for a dramatic step to show we are serious about making government work."

But while Christopher and other aides described these rules as a good first step that tries to strike a balance between reform and still being able to recruit top candidates for the new administration, there were compromises.

Clinton aides, for example, say the recruitment process itself caused the new standards to be eased somewhat, although Christopher denies it.

A specific problem was concern by academics or medical or scientific researchers about not being able to accept government grants. Those appointees will be exempted.

GRAPHIC: PHOTO, b/w, Stephan Savoia, AP

CUTLINE: IN LITTLE ROCK: Transition director Warren Christopher says the ethics rules are a 'dramatic step.'

LANGUAGE: ENGLISH

Copyright 1993 The Washington Post
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January 31, 1993, Sunday, Final Edition

SECTION: OUTLOOK; PAGE C5

LENGTH: 1294 words

HEADLINE: The Revolving Door Still Spins;
The Cash-Filled Holes in Clinton's Ethics Policy

SERIES: Occasional

BYLINE: Sheila Kaplan

BODY:

IF YOU'RE a lobbyist with an eye on a job in the Clinton administration, you were probably frightened by headlines touting the president's new ethics rules.

Sure, you want to serve your country. But phrases like "Ethics Policy Toughened" and "Five-Year Lobby Ban" can be chilling. Throw in Bill Clinton's vow to end business as usual in Washington and it's enough to make you think that four years in a cushy government perch would render you unemployable.

Relax. Before Clinton's vow to stop the revolving door leads you to forfeit the chance to freshen your resume' with handy new political ties, remember that even the best-intentioned law has loopholes. And your colleagues along K Street never take long to find them.

With their reassuring advice, you can still name your agency, spend a year or two drafting regulations, enforcing laws or negotiating international agreements, then come out and cash in -- just like the Republicans did.

"I think there's lots of ways around them," says Charles Garrison, a partner in Garrison, McGuigan & Sisson, a legal head-hunting company that finds jobs for outgoing administration officials.

Take the five-year ban on lobbying former agencies. Sounds like this could derail job prospects for future undersecretaries, general counsels and other top guns throughout the administration, right? Wrong. Lobbyists in the know realize that this little ethics rule actually helps them. Here's how:

It's 1994. Food and Drug Administration General Counsel Bob Bureaucrat decides to leave the administration for the private sector. After a courtship by many lobby firms and pharmaceutical companies, Bureaucrat lands a lucrative spot at a medium-sized firm that

wants to shore up its food and drug practice.

But doesn't the ethics pledge that Clinton's top appointees will sign prohibit Bureaucrat from lobbying his old agency? Read the rule carefully: "I will not, within five years after the termination of my employment with any federal department or agency in which I am appointed to serve, lobby any officer or employee of that department or agency."

The pledge doesn't bar you from taking on clients with interests before the agency, it just says you can't go in the building or otherwise communicate with your old colleagues about them. Bureaucrat is not allowed to contact his old agency -- he merely has to direct others to do so. Members of Congress have already picked up on this trick. Former representative Beryl Anthony Jr. (D-Ark.) -- one of the few retiring congressmen subject to something of a bidding war among the city's lobby firms -- was recently hired, not to lobby, but to direct lobbying and regulatory affairs for the D.C. office of Chicago's Winston & Strawn.

Clinton appointee Bureaucrat may do precisely the same thing, which will spare him the trouble of having to leave his new office. He can sit back and work on his memoirs -- between lunches with prospective clients -- while junior partners go forth to his old agency with the magic words, "Bob sent me."

Bureaucrat needn't be totally idle. He can, and in most firms would be expected to, socialize with former agency colleagues in a series of grueling lunches, dinners and cocktail receptions. If bored, he can always lobby Congress.

In fact, lobbyists predict a boom business for these congressional lobbyists. Wright Andrews Jr., a partner in D.C.'s Butera & Andrews and vice president of the American League of Lobbyists, says, "That is precisely where they will be most valuable in the business market. Many of the people who will gain tremendous clout with Congress because of their position in the administration will be able to sell their government service by saying they can lobby Congress at least."

Regarding the agency ban, Andrews says, "You can't lobby, but you can socialize. Everybody just winks." So why worry?

But what if you want to lobby for foreign embassies, travel to exotic ports of call and return home with valuable antiques? Shouldn't you cancel that interview with the transition scouts? No way. Just listen to the experts like Mark Cowan, chief executive officer of the Jefferson Group, a lobbying firm that has represented El Salvador, Jordan and the Lebanese Christians. Cowan says it's easy to circumvent Clinton's rule, which bars top officials from representing foreign governments for life but lets them lobby for foreign corporations. "There are situations where the interests of foreign governments are identical to that of foreign companies," Cowan says. "A lifetime ban, if not a five-year ban, can be gotten around that way."

Let's say you're the dictator of Pago Pago. "You want to hire Joe, a big White House official who left the government. Pago Pago's biggest export in the world is bananas. So you

turn to the chairman of ABC Banana Co. and say, "Hire them."

This trick will improve job prospects for many officials who want to trade up from the Departments of Commerce or State. Since the vast majority of lobby work is for foreign companies rather than countries, there's little to be lost by signing the pledge. So go ahead. Take that post and still put your children through St. Albans.

But perhaps you're most concerned about Clinton's five-year ban on trade negotiators. This landmark rule seeks to prevent negotiators from cashing in on their jobs by serving as representatives of foreign governments or corporations. Sounds serious, doesn't it? Gary Klein, partner of Klein, Landau & Romm, another legal headhunting firm, says it need not cramp your style.

Klein bases his prediction on the continuation of the popular though little-discussed tradition by which law and lobbying firms get around some existing ethics rules: They hire whomever they want, fresh out of Congress or the executive branch, but never have them formally register with the Justice Department or Congress. On the government's lobbying records, they're administering, not lobbying. In private, it's a different story.

"We've never had a placement derailed for fear that the person couldn't do what the firm wanted," Klein says.

In fact, some lobbyists say, the rules give lawyer-lobbyists better loopholes than they give non-lawyer lobbyists. So, if you're a lawyer be sure to take full advantage.

Howard Marlowe, president of D.C.'s Marlowe & Company and a past president of the American League of Lobbyists, says lawyers who leave agency posts can still represent clients in court actions related to the agency, if not rulemaking proceedings.

"You're not given a free ride, but a little extra benefit that can be very important," Marlowe adds. "I don't have any problem except for the fact that you can't do that if you're going to be a lobbyist."

But the biggest loophole may be the fact that only 1,100 or so top appointees have to follow the new rules. Most political operatives, who reside well below that level, can carry on business as usual. Although their posts aren't as prestigious, Cowan says, those "2,200 to 3,000 political appointees also have access to information and special relationships. Therefore they get a windfall."

Aren't there existing ethics rules that prohibit government officials from slipping through the revolving door to use the information they learned while working for the government to help private interests get their way? Of course there are, but they're very flexible.

In 1991, Mark Heller, an FDA associate chief counsel for medical devices, left the agency to go to D.C.'s Patton, Boggs & Blow. In no time at all, he was representing the plastic-surgeons group in its effort to keep silicone-gel breast implants on the market. So

think positive. If he can do it, so can you.

Sheila Kaplan is a senior editor of Legal Times.

GRAPHIC: ILLUSTRATION, THOMAS KERR FOR TWP

LANGUAGE: ENGLISH

October 14, 1993

Copyright 1992 St. Louis Post-Dispatch, Inc.
St. Louis Post-Dispatch

November 17, 1992, TUESDAY, FIVE STAR Edition

SECTION: EDITORIAL; Pg. 2C

LENGTH: 337 words

HEADLINE: THE RIGHT TONE ON ETHICS

BODY:

Pledging to "change politics as usual," President-elect Bill Clinton has announced tough ethics rules to govern the behavior of his transition team. He plans shortly to announce similar rules for his new appointees and to push for legislation to eliminate loopholes in the present federal lobbying regulations. All these steps are welcome. They address one of the most important issues facing the new president: how to restore public trust in government. The transition staff - right down to the level of volunteers - will be prohibited from lobbying any agency of government with which they deal during the transition. In addition, all those working on the transition must sign financial disclosure reports and promise to refrain from any activities in which they or any relation has a financial interest, however indirect. Finally, the transition staff will be permanently prohibited from using confidential information obtained during their work. The president-elect promises to enforce these rules strictly and dismiss promptly anyone who violates them. But the issue may not be that simple. Some on the transition staff have extensive connections with private parties who have significant interests in the areas Mr. Clinton has asked them to oversee. He has asked them to suspend those connections during the transition, but they do not have to sever the ties completely. This approach is reasonable; otherwise, many talented individuals would be unavailable to work on the transition. But intimate knowledge of the special interests they have been involved with could still produce conflicts for some, even if they are inadvertent. These might not directly violate the ethics rules, but they could still taint the reputation of the process. Still, the president-elect has done his best: he has set a tough standard without being so rigid as to exclude the knowledgeable people he needs on his transition team. The tone is right, and that tone should probably be enough to make the process honest.

LANGUAGE: English

Copyright 1992 The New York Times Company
The New York Times

November 14, 1992, Saturday, Late Edition - Final

SECTION: Section 1; Page 18; Column 1; Editorial Desk

LENGTH: 429 words

HEADLINE: A Smart Start on Ethics

BODY:

"The era is over when too many in Washington sought to gain in some way from their access to power," Warren Christopher, President-elect Clinton's transition chief, said yesterday as he announced a new code of ethics for members of the transition team.

Only time will tell whether Mr. Clinton is fully capable of stopping the revolving door that has allowed public servants to cash in on their proximity to Presidential power. Even so, the sensible new rules send a reassuring signal that the new President is serious.

The rules deal only with the two-month transition staff. Members will be prohibited for six months from lobbying any Federal agency for which they had "substantial responsibility" during the transition period. They will be subject to a vague ban on profiting from any non-public information obtained in the course of their work.

They'll also be required to disclose their financial interests, and will be disqualified from involvement in any matter that "conflicts or appears to conflict with their personal financial interests, or those of their clients or business."

The rules, unprecedented in their rigor, attempt to strike a reasonable balance between two urgent needs: attracting knowledgeable people to help with the brief but critical task of transforming the Clinton campaign into the Clinton Government, and at the same time avoiding the influence of special interests.

As Mr. Christopher concedes, this is new territory, and it's still unclear exactly how the code will work in practice. Much depends on how it is enforced. For example, it is admirable that Mr. Christopher has stepped aside from his law practice and that Vernon Jordan, the transition chairman, has temporarily relinquished his position on corporate boards, including that of RJR Nabisco, the cigarette maker.

Even so, it will be up to these two men and their colleagues to remain vigilant about potential conflicts and recuse themselves when that is appropriate; rules alone can't do the job. Indeed, as transition spokesman George Stephanopoulos demonstrated at a news conference yesterday, the rules are open to interpretation. Message: Those with lazy consciences can find loopholes.

The fact that Mr. Clinton would see the need for such rules, however, bodes well for the future. He promises to release details, perhaps as early as next week, about his proposed five-year revolving door ban on appointees to his

Administration. Later, he's to offer a plan for overhauling the discredited campaign finance system. The transition rules are a good start.

TYPE: Editorial

SUBJECT: UNITED STATES POLITICS AND GOVERNMENT; EDITORIALS;
TRANSITION BETWEEN ADMINISTRATIONS; ETHICS

NAME: CLINTON, BILL (GOV)

Copyright 1992 The Seattle Times Company
The Seattle Times

November 16, 1992, Monday, Final Edition

SECTION: EDITORIAL; Pg. A6

LENGTH: 448 words

HEADLINE: A CODE OF ETHICS -- CLINTON TRIES TO SLOW THE REVOLVING DOOR

BODY:

JERRY Brown and Ross Perot fueled their populist campaigns for the presidency with pointed references to the pernicious influence of lobbyists on government.

Taxpayers may not fully understand how the system works, but they know intuitively they pay for the results.

President-elect Bill Clinton tugged on that emotional string as he announced ethics rules to govern members of his transition team.

The rules forbid lobbying any federal agency for six months, using any nonpublic information for personal gain, and requiring disengagement from any dealings that constitute a financial conflict of interest.

A stricter set of guidelines is expected this week for top-level appointees. Clinton's message is that his administration will not tolerate business as usual; he wants change on all fronts.

What is needed are workable boundaries that still allow government to attract and draw upon the best talent from business and academia.

Ethics codes should not seek to create a high caste of morally superior bureaucrats. The goal is a pact that puts the emphasis on service, and perhaps some sacrifice, for the public good.

Two-year-old federal regulations already prohibit former federal employees from lobbying their employers or representing a foreign government for a year. Clinton wants the prohibition on domestic lobbying pushed out to five years, and the foreign-government ban made permanent.

Current law has so many loopholes that no one is particularly threatened. What is proposed, backed up by the president-elect's public commitment to enforce it, worries people.

Good. That is no small victory.

For a dozen years the prevailing political philosophy saw government as the enemy. In its most cynical mode, public service meant a dip into the federal job pool long enough to pick up marketable credentials and contacts.

Trading on that experience for private gain was the merit badge of successful passage through the revolving door.

Influence-peddling scandals stained the Reagan-Bush years almost from the beginning.

Clinton's ideas are already drawing partisan fire from critics suddenly attuned to the nuances of probity in high office. However belated, the new awareness is still encouraging.

Clinton will no doubt be embarrassed and disappointed in the future by a close adviser who strays across ethical boundaries. But overall the message remains that public service means more than personal enrichment.

Leadership, whether on ethics in government or improved racial relations, starts at the top. Clinton's investment of his time, prestige and eloquence in the important topic of ethics in government is a welcome first step toward change.

LANGUAGE: ENGLISH



United States Telephone Association

NewsRelease

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202/326-7279

FOR IMMEDIATE RELEASE

December 6, 1993

USTA ANNOUNCES ROY NEEL AS NEW PRESIDENT

Washington, DC -- The United States Telephone Association announced today the appointment of Roy M. Neel as its president and CEO. Neel will replace John Sodolski, who retired in October after heading USTA for ten years. USTA Chairman Gary McBee stated that the comprehensive search for a new president "has been successfully concluded, with the right man for the right time. We are extremely pleased that Roy Neel will take the helm at USTA."

Neel comes to USTA from the White House, where he served as President Bill Clinton's Deputy Chief of Staff. Previously, he was Chief of Staff to Vice President Al Gore. He also served the vice president in the same capacity when he was a U.S. Senator and was Representative Gore's chief legislative assistant during the vice president's four terms in the House of Representatives.

Neel was a principal advisor involved in every major communications issue that came before the Congress. He managed Senator Gore's involvement in issues surrounding the cable-telephone-satellite television industry, including the Cable Consumer Protection Act.

McBee, citing Neel's background, said "Roy Neel's extensive experience, both on Capitol Hill and in the Executive Branch, makes him a superb choice to head USTA into its second century, especially as the telephone industry prepares to take its place in developing and implementing the National Information Infrastructure."

After a period of family leave, Neel will work in a transitional role with Gary McBee until assuming the full-time duties of USTA President and CEO on March 1. In the interim, Neel will be working with USTA staff and member companies to develop a strategic plan for the upcoming legislative session of Congress. In addition, he will be consulting with business and technology experts to familiarize himself with the latest developments in a rapidly evolving industry.

"The telecommunications arena is the fastest growing and possibly the most important part of our economy, and its corporate leaders in both small and large companies among the most visionary," said Neel, who will conclude his White House duties December 31. "I am extremely excited about this new challenge, and the opportunity to return to those issues which will help shape the growth of not only the telephone industry, but the entire economy.

A Tennessee native, Roy Neel served in the United States Navy as a journalist 1966-70, during which time he served a one-year tour of duty in Viet Nam. He holds degrees from Vanderbilt University (B.A) and Harvard University (M.P.A.). He has managed environmental public administration programs for the mayor of Nashville (1972-74) and operated a management consulting firm (1975-76). Neel has also been a sportswriter for the Nashville Banner.

USTA also announced its move, effective today, to the new location at 1401 H Street, NW, in Washington, DC.

The United States Telephone Association represents the nation's local exchange carriers. With more than 1,100 member companies, USTA promotes the general welfare of the telephone industry, provides information and assistance to member companies, and serves as the liaison with other telecommunications companies and with the Federal Government and regulatory agencies.

HILL AND KNOWLTON

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News Release

Contact:
Tom Ross
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FOR IMMEDIATE RELEASE
(Monday, December 6, 1993)

HOWARD PASTER NAMED CHAIRMAN AND CEO
OF HILL AND KNOWLTON

New York, December 6 -- Hill and Knowlton Inc. announced today the appointment of Howard Paster, who recently resigned as Assistant to the President for Legislative Affairs, as chairman and chief executive officer.

Paster, 48, will also serve as chairman of Hill and Knowlton's executive committee. His appointment is effective as of January 1.

Before joining the Clinton-Gore transition team last December, Paster served briefly as head of the Washington office of Hill and Knowlton. He became President Clinton's chief Congressional lobbyist at the start of the new administration in January.

Paster resigned his White House position last month for personal reasons.

In his new position, Paster will maintain an office in Washington as well as New York, but he reiterated that he will not lobby the federal government after leaving the White House on December 31.

more

- 2 -

Thomas E. Eidson will remain as President and CEO of Hill and Knowlton U.S.

Tom Hoog, who succeeded Paster as general manager of the Washington office and as chairman of Hill and Knowlton Public Affairs, would continue in those positions.

Prior to joining Hill and Knowlton, Paster worked for 12 years for Timmons and Company Inc., a Washington lobbying and government relations company, rising to the position of chairman.

Both Timmons and Hill and Knowlton are members of WPP Group plc, one of the leading advertising and marketing services companies in the world.

Before joining Timmons, Paster was a staff member of the House of Representatives and the Senate, and later chief lobbyist for the United Auto Workers Union.

He is a graduate of Alfred University and holds a Masters degree from the Columbia University School of Journalism.

Hill and Knowlton Inc. is a leading international public relations and public affairs counseling firm, based in New York with 55 offices in 27 countries.

December 3, 1993

A handwritten signature in dark ink, appearing to be 'B. Neel', is located in the upper right corner of the document.

To: ✓ Mark Gearan
Roy Neel
Howard Paster
Lorraine Voles

From: Bernie Nussbaum
Beth Nolan

Re: Talking Points--Departures from the White House

Here are talking points on the "revolving door" issues that have been raised lately. Please call us if we can provide any additional assistance.

TALKING POINTS
12/03/93
The Revolving Door

- The fundamental basis of our constitutional democracy is a commitment to citizen government. This means that senior officials *will* move in and out of government.
- The idea that it is somehow unethical for people to move between the private and public sectors is antithetical to our democratic principles.
- There is nothing wrong with someone leaving the White House and accepting a job in the private sector. By design of the framers, we are here only as temporary caretakers, and we can expect that that will happen to most of us.
- There is also nothing wrong with people using their experience and knowledge in their next jobs. In fact, it is in the public interest to have people in the private sector who understand how government works, just as it is in the public interest to have people serve in government who understand how the private sector works.
- The ethics rules do not, and should not, prevent that from happening.
- The ethics rules *do* have a very important job: to ensure that when people move between jobs in the public and the private sectors, no harm will come to the public interest.
- That is why we have revolving-door restrictions in the criminal law, and that is why President Clinton made his first priority in office the adoption of a senior appointee pledge that goes far beyond the requirements in the law: to ensure that the inevitable movement in and out of government will do no harm to the paramount goal of government in the public interest.
- These are very stringent restrictions. They acknowledge that former senior officials may have special influence in their agencies, and that people in those agencies may have developed habits of deference to them. They insulate government decisionmaking from the special influence a former senior official may wield, and they do so for a sufficiently long period that there should not even be a question of an appearance of improper influence.
- The same issues of special influence and habits of deference do not arise with contacts between officials from the Executive and Legislative branches.
- Here is what the rules do.

They keep senior White House appointees from coming back and lobbying anyone in the entire Executive Office of the President for 5 years.

If they had personal and substantial responsibility for other agencies while in the White House, they also may not lobby those agencies for 5 years.

They may never act as foreign agents.

In addition, under the criminal law, for one year, they may not lobby any senior political appointees in any Executive Branch agency, nor may they ever lobby the Executive Branch on the same particular matters in which they worked for the government.

There are special rules for trade and treaty negotiators.

- We must have ethics rules that are beyond reproach--ones that enable us to maintain the integrity of government and retain the confidence of the public. That is what the current rules do.
- But, we must not have ethics rules that impede the functioning of a citizen democracy, in which citizens can work in both the public and private sectors at different points in their lives.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

December 7, 1993

Chief of Staff Thomas F. ("Mack") McLarty today announced that OMB Deputy Director for Management Philip Lader will serve as White House Deputy Chief of Staff and Assistant to the President.

McLarty said that Lader, 47, will serve as the White House's "Chief Operating Officer." Lader will be responsible, under McLarty's direction, for White House operations and staff, including the coordination of the overall policy development process.

"Having been impressed this past year by Phil's skillful work on reinventing government and his reinvigoration of the 'M' in OMB, I know he will make an important contribution to the Administration in this management role," McLarty said.

McLarty, who was joined by the President, made the announcement at a specially-called White House senior staff meeting this afternoon. The President noted that "I've known Phil for a long time and believe that his integrity, personal qualities, and record of management success will be a genuine asset to the White House."

Lader, trained as a lawyer, is a South Carolina businessman and educator and was a candidate for South Carolina Governor in 1986. Named President of Sea Pines Company, a developer/operator of recreational communities, at age 33, he subsequently was Executive Vice President of a multi-billion-dollar holding company. During his presidency of Winthrop University, the 100-year-old South Carolina institution received the national gold medal for "general improvement in programs" from the Council for the Advancement and Support of Education. As president of Australia's troubled first private university, he restored stability and improved its academic standing. Lader was President of Washington-based Business Executives for National Security and is the founder/host of Renaissance Weekends, an annual family retreat started in 1981 to focus on public policy and personal issues.

Lader received his B.A. (Phi Beta Kappa) from Duke University, an M.A. in American History from the University of Michigan, a J.D. from Harvard Law School, and completed graduate studies in law at Oxford University. He has been a trustee or director of various colleges, corporations, banks, and non-profit institutions.

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THE WHITE HOUSE
WASHINGTON

PHILIP LADER

Philip Lader is Deputy Director for Management of the White House Office of Management and Budget. Trained as a lawyer, Mr. Lader is a South Carolina businessman and educator and was a candidate for South Carolina Governor in 1986.

In business, he was President of Sea Pines Company, a developer/operator of recreational communities, and Executive Vice President of GOSL Acquisition Corp., a multi-billion-dollar holding company. In academe, he was President of Australia's first private university and Winthrop University in South Carolina. He also was President of Business Executives for National Security and the founder/host of Renaissance Weekends, family retreats of innovative leaders organized since 1981 with the objective of personal and national renewal.

Mr. Lader served as Chairman of the Policy Committee of the National Performance Review, headed by Vice President Al Gore and charged by the President with the "reinventing government" initiative. Reporting to Mr. Lader as OMB's Deputy Director for Management are the Office of Federal Financial Management, the Office of Information and Regulatory Affairs, the Office of Federal Procurement Policy, and OMB's General Management Division. In this capacity, he also chairs the President's Management Council (the Cabinet departments' Chief Operating Officers), the President's Council on Integrity and Efficiency (the government-wide Inspectors General), the Chief Financial Officers' Council, and the President's Council on Management Improvement (the senior administrative officers of each Cabinet department).

Mr. Lader, 47, was educated at Duke (Phi Beta Kappa, Distinction in Political Science), Michigan (M.A., Honors in American History), Oxford (graduate studies in constitutional law), and Harvard Law School (where he was a teaching assistant to Professors Paul Freund and Louis Hartz), and was a law clerk to Judge Paul H. Roney on the U.S. Court of Appeals (Fifth Circuit). He has been a trustee or director of various colleges, corporations, banks, and non-profit institutions.

He and his wife, Linda LeSourd Lader, have two daughters, Mary-Catherine (8) and Whitaker (6). Mrs. Lader -- whose father Leonard LeSourd was the longtime editor of Guideposts Magazine and whose late step-mother Catherine Marshall LeSourd was the author of A Man Called Peter, Christy, and other inspirational books -- is President of the Renaissance Institute, which hosts the Renaissance Weekends in the Laders' hometown, Hilton Head Island, South Carolina. Mrs. Lader has long been active in religious, children's, and educational organizations.

October 1, 1993

THE WHITE HOUSE
WASHINGTON

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EMBARGOED UNTIL 6:00 P.M. DECEMBER 7, 1993

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DRAFT

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RENAISSANCE WEEKEND XIV

The 17 Most Commonly Asked Questions and Answers

1. What are Renaissance Weekends?

They are weekend retreats for an "extended family" committed to the transforming power of ideas and of relationships, with the objective of personal and national renewal.

The group consists of innovative leaders in business, education, government, law, medicine, and other professions, sports, religion, the media, and the arts. Over four-day Weekends, all participants, including many children, share experiences and views, from 8 a.m. to midnight, through simultaneous, informal panels, over meals, and at recreation. Many long-time participants keep closely in touch throughout the year and meet for discussions in their respective hometowns.

Renaissance Weekends are organized by the Hosts as private gatherings. All discussions, whether matters of public policy or personal reflections, are strictly "off-the-record."

2. What is Renaissance's background?

Renaissance Weekends were conceived and have been hosted since 1981 by Philip Lader, a South Carolina businessman/educator who was a gubernatorial candidate in 1986, and his wife, Linda, in their home community, Hilton Head Island.

Twelve years ago, some friends were lamenting with the Laders that, although all of us meet fascinating people in our work and personal lives, we rarely have occasion to get to know them well. They also regretted that New Year's can be a "lost" holiday, when some might prefer to reflect, with their families, upon the past year and prepare for the new.

Lader had also recently read David Broder's The Changing of the Guard, observing that, inevitably, there would be a generational transition of American leadership; but the Laders were concerned that, in current times, the imparting of wisdom through candid personal friendships is not as prevalent as it may have been for our forefathers. They believed a cross-generational, "continuing conversation" of accomplished individuals could provide mentor insights and relationships.

To these ends, 60 families (32 of whom are back this year) came to the 1981 "house party." (A teenager actually did challenge Arthur Schlesinger after a panel and thereby set Renaissance's informal, all-opinions-welcome tone.)

Thirteen Renaissance Weekends later, the group has grown to two weekends of 130 families each per year, an "extended family" crossing political, religious, racial, age, and other lines. Although "new faces" are included each year to challenge the group's thinking, more than two-thirds of each gathering are past participants.

3. How are participants selected?

The Founders/Hosts invite individuals, and their families, with whom they have had occasion to become acquainted, as well as some nominated by certain long-time participants. Their only common denominators are (1) innovative achievement on a national or regional level, (2) a "renaissance spirit" and broad-ranging intellectual interests, and (3) personal qualities which allow them to enjoy an off-the-record, highly informal, deeply personal tradition.

Renaissance Weekends
The 17 Most Commonly Asked Questions and Answers
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Participants, though originally principally from the Southeast, come from across America. Additionally this year, the group includes six Australian families (ranging from a cattle station manageress to prominent business executives), others from Mexico, the United Kingdom, and South Africa, and individuals from Sweden, Haiti, Germany, and Russia.

4. What are Renaissance Weekends' objectives?

The sole objective is personal and national renewal.

The Laders, from the first gathering through today, believe that "This nation's future will depend on how we Americans learn from and help each other. Renaissance is our small contribution to that process."

They hope that Renaissance might foster "a continuing conversation" and relationships which encourage accomplished individuals and their families, from a broad range of professional disciplines, personal backgrounds, and political, economic, and religious convictions, to learn from and personally support each other.

5. How is Renaissance Weekend XIV different from past gatherings?

This gathering was planned one year ago intentionally as a larger "reunion" because (a) the Hosts' commitments in Australia precluded organization of a January or February second Weekend, as in recent past years, and, (b) whatever the Presidential election's outcome, many long-time participants would have been involved in the Inaugural activities.

As a result, 515 families (388 returning) are participating, and more than 100 families remain on the Wait List. The next Renaissance Weekends will be limited to the traditional smaller, more intimate size.

6. What about President-elect Clinton's participation?

The President-elect, Hillary Clinton, and their daughter Chelsea have participated for the past eight years. (Other former Presidential candidates who have participated in past years include Republicans Pete duPont and Larry Pressler and Democrats Terry Sanford and Fritz Hollings; the latter three are also returning this year.)

The Hosts have urged this year's participants to "remember Renaissance's non-partisan, multi-dimensional character. Not all of us supported the Democratic ticket; not everyone wants to talk politics the entire Weekend. And if that diversity were discouraged, even by well-intentioned enthusiasm, Renaissance would not be the same."

The Hosts have further expressed in their Welcome Letter that "All of us, of course, have some particular message we would like to convey to the President-elect or Hillary Clinton. But it would be highly inappropriate, given the Renaissance spirit, for any of us to raise with them a personal agenda, however public-spirited. We're all here to get some rest, some private time with friends, and another good dose of intellectual and spiritual refreshment."

"Our test," they concluded, "will be to honor the distinctive Renaissance character: to ensure that this 'extended family' can be for the Clintons, and all our fellow participants, a refuge and source of personal support."

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In past years, any participants who breached Renaissance's "ground-rules" were not invited to future gatherings.

7. Who are some of "the regulars" who are back this year?

U.S. Supreme Court Justice Harry Blackmun, former Reagan White House Communications Director David Gergen (who has come all but one year), former "Miss America" Phyllis George, Habitat for Humanity Founder Millard Fuller, Former Chief of U.S. Naval Operations Admiral Elmo Zumwalt, Business/Software Writer Andrew Tobias, South African author Mark Mathabane, U.S. Commerce Dept. General Counsel Wendell Willkie, former Tennis Champion Stan Smith (who has come almost every year), Federal Communications Commissioner Ervin Duggan (who has come since the first year), former Mississippi Governor William Winter, former Kennedy adviser Theodore Sorensen, Knight-Ridder Corp. Chairman James Batten, former Watergate prosecutor James Hamilton (who has come every year), Dartmouth College President James Freedman, Control Data Corp. CEO Lawrence Perlman, former Republican National Committee Chairman/U.S. Labor Secretary Bill Brock, U.S. Court of Appeals Chief Judge Sam Ervin, National Taxpayers Union Chairman Jim Davidson, Mrs. Bush's Chief-of-Staff Susan Porter Rose, Information America Founder/President Mary Madden, former National Science Foundation Associate Director John White, former Guideposts Magazine Editor Leonard LeSourd, Applied Energy Services Corp. Founder/President Dennis Bakke, New York Times Reporter Alex Jones, Indiana Governor Evan Bayh, Business Consultant Ira Magaziner, Tylenol/MRI Inventor Jack McConnell, former Ryland Homes Corp. Chairman Ted Peck, Georgetown University Biophysicist Estelle Ramey, Dana Corp. Chairman Woody Morcott, U.S. District Judge Louis Oberdorfer, former Ohio Governor Dick Celeste, former D.C. Bar President Marna Tucker, former U.S. Assistant Secretary of Defense Lawrence Korb, former IDS and GrandMet USA Corp. CEO Walter Scott, and Syndicated Columnist Edwin Yoder.

8. What other occasional participants are back this year?

Syndicated Columnist Art Buchwald, Fisk University President Henry Ponder, Donaldson, Lufkin & Jenrette CEO John Chilsty, TV News Correspondents Rita Braver and Richard Valeriani, Charleston, S.C., Police Chief Reuben Greenberg, former Congressman/Astronaut Bill Nelson, former Assistant Secretary of State Richard Schifter, Reagan/Bush speech-writer Peggy Noonan, MGM Studios Executive Vice President Kathie Berlin, former National Basketball Assn. "All-Star" Jack Marin, Tennessee Attorney-General Charles Burson, U.S. Court of Appeals Judge Patricia Wald, Economist/Commentator Walter Williams, Bicentennial Series Author John Jakes, Secretary of Education-designate Dick Riley, Thinking Machines Corp. Founder/CEO Sheryl Handler, former IRS Commissioner Donald Alexander, Retired U.S. Army General Evelyn Foote, Runner's World Publisher George Hirsch, Goldman Sachs Vice Chairman Robert Hormats, Bush Cabinet Secretary Ede Holiday, former U.S. Ambassador to Saudi Arabia John West, "Kudzu" Creator/Editorial Cartoonist Doug Marlette, and former International Commission Chair Paula Stern.

9. Who are some of this year's "new faces"?

Olympic Gold Medalist Edwin Moses, former U.S. Arms Control and Disarmament Agency Director Kenneth Adelman, U.S. Attorney-General-designate Zoe Baird, Salomon Inc. CEO Robert Denham, former National Gallery of Art Director J. Carter Brown, Reagan White House Aide Linda Chavez, Children's Author Gwendolyn Everett, "Adam Smith" Author/Commentator Jerry Goodman, Christian Sociologist Os Guinness, Reagan U.S. Defense Under Secretary Fred Ikle, former Chemical Bank Chairman Thomas Johnson, New York Lt. Governor Stan Lundine, Cities in Schools Founder William Milliken, Theologian/Commentator Michael Novak, former FDIC/RTC Chairman William Seidman, Labor Leader Jack Sheinkman, and Harvard Divinity School Dean Ronald Thiemann.

10. Are all participants "prominent figures"?

Most participants, though innovative leaders in their respective fields, are not "household names." Some are invited because, in the Hosts' words, "they deserve Nobel Prizes for friendship."

Thus, all participants must wear 4" x 6" name tags, with first names written in two-inch high letters and surnames much smaller, hung around their necks with yarn. Just as dress is casual, first names are the practice.

(In the case of Mr. Justice Blackmun, the Hosts have each year prepared two name tags for him, one with "Justice Blackmun" in large letters, the other with "Harry;" and each year, he has worn the "Harry" name tag. The Hosts plan to do the same for the President-elect this year and leave the selection to him.)

11. What are the "ground rules" for journalists?

All panel discussions are closed to non-participants and are "off-the-record." Several participants will be available each day to meet with interested journalists to discuss their Renaissance experiences.

Participants who are journalists, as well as others, may address Renaissance's general nature, participants' backgrounds, the gist of discussions, or even specific topics. Nobody may be quoted without their express permission. The Hosts request that no "interviews" be sought lest they distract participants from family, recreation, or discussion time.

For 12 years, this media etiquette has never been breached; and all journalists' cooperation is again appreciated this year.

12. Who bears the costs of Renaissance Weekends?

Costs of transportation, meals, and lodging are borne by the participants, who also pay a Registration Fee (approximately \$300, depending on family size) to defray other costs. No honorariums, speaking fees, or transportation costs have ever been paid by the Hosts.

13. What are some illustrative panel topics this year?

- *"Whoops": Mistakes, Their Lessons & Consequences
- *Something That's Been "Bugging" Me Lately (14th edition!)
- *New Technologies: Personal Implications for the 21st Century
- *"You'd Never Guess": What Only My Friends Know About Me
- *Cancer: An Open Forum With Experts
- *Agenda for A New Administration
- *Investment Perspectives '93
- *Building An Inner Life
- *"Hey, Harry, Can You Believe This 'Truman Cult?'"
- *Children of Divorce: What Helps?
- *"Kinder and Gentler": How We Can Restore Civility to America
- *Family Values: How Do We Want 1993 to Affect Our Families?
- *"Tumor of the Soul": "The Spiritual Vacuum at the Heart of American

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001. talking points	Personal [partial] (2 pages)	00/00/0000	b(6)
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COLLECTION:

Clinton Presidential Records
Communications
Mark Gearan
OA/Box Number: 7548

FOLDER TITLE:

Ethics

2011-0584-F
jm1514

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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RR. Document will be reviewed upon request.

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]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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 concerning wells [(b)(9) of the FOIA]

Renaissance Weekends
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Page Five

Society"

- *"Sharpening Pencils": The Federal Deficit Options
- *Business "War Stories"
- *Laboratories of Democracy: Making State Government Work
- *What I'd Tell the Next President Over a Brown-bag Lunch
- *What I've Learned About Love
- *Backlash?: Insights Into Women Today
- *How the Presidential Race Was Won
- *Overcoming "Demosclerosis": Making Government Work Again
- *The National Security Battle-fronts: America's Economy and Defense
- *The Public Eye: What It Teaches Us About Ourselves
- *"Thinking About Tomorrow": Personal and National Renewal

In addition to their general participation, President-elect Clinton will be on the New Year's Eve panel, "The Changing of the Guard," with U.S. Supreme Court Justice Harry Blackmun, moderated by Host Philip Lader; and Mrs. Clinton will be on the "Conversations With Some Challenging Women" panel, including Lynda Robb (wife of U.S. Senator Charles Robb and daughter of former President Lyndon Johnson), Peggy Noonan (former speech-writer for Presidents Reagan and Bush), Kathie Berlin (MGM Studios' Sr. Vice President and former agent for Bette Middler and Paul Newman), and Moderator Gillian Sorensen (President of the National Conference of Christians and Jews, and wife of former Kennedy adviser Ted Sorensen).

14. What are some of the children's panels?

Children have their own program of a clown and magician, readings by authors of children's best-sellers, and music, including concerts by "Billy B., the Natural Science Song-and-Dance Man." Some young participants are included in the "grown-ups" panels. The following are examples of panels which exclusively feature children:

- *My Thoughts About America (Ages 6-8)
- *What I Wish My Parents Had Told Me (Teens)
- *"Let's Be Frank": Teens Talk About Dating
- *The Presidential Campaign: 'Our Generations' Views (8-17)
- *How to Make Top Grades at School & College (And Still Learn Something and Have Fun) (Teens & College Students)

Groups of 11 children also have a "Could You Tell Me . . . ?" lunch with each of 70 of the most celebrated participants.

15. What are some memorable vignettes from past Weekends?

(a) Each New Year's Eve, as is anticipated this year, the evening panel continues until shortly before midnight, when a piano-playing participant leads the group in "Auld Lang Syne," and at the stroke of midnight, the group holds hands, families embracing, to sing "God Bless America."

[001]

(b) A panel some ten years ago addressed "The Toughest Decision I've Ever Made."

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(b)(6)

16. What are the Hosts' backgrounds?

Philip Lader, a South Carolina businessman/educator, is currently president of Bond University, Australia's first private university. He formerly was president of Sea Pines Company (Hilton Head's principal developer), Winthrop University, and Anglo-French financier Sir James Goldsmith's U.S. land assets management company, and was a candidate for South Carolina governor in 1986. Linda LeSourd Lader, a homemaker and year-round director of Renaissance, formerly was associated with the National Prayer Breakfast ministries and various education and children's organizations.

17. How do we get more information?

The Hosts are available at the Hyatt throughout the Weekend; and their volunteer staff can arrange for non-participant media some daily interviews about Renaissance with various long-time participants. Afterwards, questions may be addressed to Renaissance Weekends Coordinator Jackie Kiss, 4340 Georgetown Square, Suite 608, Atlanta, GA 30338; Telephone 404-451-1992; Fax 404-451-6620.



U.S. Department of Justice

Office of Public Affairs

Washington, D.C. 20530

December 6, 1993

*in person - or phone
call*

MEMORANDUM TO THE ATTORNEY GENERAL

FROM:

Carl Stern
Carl Stern, Public Affairs

SUBJECT:

Interview for Washington Post "Outlook" Article

Alicia Mundy, a sharp-penned and provocative Washingtonian Magazine writer who likes to stir-up fights, is preparing a piece for the "Outlook" section of the Washington Post pitting Assistant U.S. Attorneys around the country against positions you have taken, or may take.

Ms. Mundy says many of the 51 AUSA's she interviewed expressed alarm about your "interference" with their ability to get convictions. She claims :

- 1) They want your solid support for mandatory minimums, which they believe are the biggest tool they have for getting drug figures to cooperate.
- 2) They are unhappy about changes in the charging guidelines which they believe reflect a willingness to settle for shorter prison sentences than might otherwise be obtained.
- 3) They are upset about the implication in your charging guidelines memo that gun charges (using a gun in the commission of a crime) should not be used as a pile-on penalty.
- 4) They believe drug treatment and rehabilitation programs don't work, only long sentences that incapacitate drug offenders, and that the Attorney General shouldn't sound like "a social worker."
- 5) They are also angry that the Department is considering edging away from Attorney General Thornburgh's tough stand permitting contact with represented parties.

Ms. Mundy is seeking your comments, in person or by telephone. She says she needs no more than a few minutes. She says her deadline is Wednesday, the day after tomorrow.

I have no doubt the piece will be published. Therefore, if you have the patience, I think it would be useful to have us schedule a brief interview.

file: Press Ethics
Dinners

December 9, 1993

MEMORANDUM FOR Bernie Nussbaum
Mark Gearan
David Gergen
Jody Greenstone
Bruce Lindsey
Cheryl Mills
Kathleen Whalen

FROM: Beth Nolan *BN*

SUBJECT: Press Dinners

Attached are a draft request of the Office of Government Ethics to amend the widely attended gathering exception and a draft memorandum to Designated Agency Ethics Officials (DAEOs) explaining the request and imposing a waiver of the rule as it applies to press dinners.

Please review as soon as possible and provide me with any comments you may have (x. 6229).

Attachments

DRAFT

December 9, 1993

MEMORANDUM FOR DESIGNATED AGENCY ETHICS OFFICIALS

FROM: BERNARD W. NUSSBAUM
COUNSEL TO THE PRESIDENT

SUBJECT: Press Dinners

The White House has petitioned the Office of Government Ethics ("OGE") for a rule change with regard to the application of the "widely attended gathering" exception in the Standards of Ethical Conduct for Executive Branch Employees. In particular, we have asked OGE to permit, consistent with the Standards of Conduct, an executive branch official to accept an invitation to attend an event that qualifies as a widely attended gathering and is sponsored by a news association, where the ticket has been offered by a news organization.

The press occupies a unique role in our society. It is entrusted with the responsibility to gather information and record and disseminate accurately the events of each day and to provide the public with access to all of our institutions, most particularly government. The right of the press to do so is constitutionally protected. Our ethics regulations also should recognize and preserve the special role of the press in our democratic system.

Additionally, the press is unlike other non-federal individuals, organizations, and entities that regularly appeal to federal employees for official action in their own or their organization's pecuniary interest. When performing their official function, members of the press do not seek to do business with, nor do they seek official action from, the government officials about whom they are reporting. Rather, the press seeks to publish information about those actions being taken, without regard to whose benefit they inure. We believe that it is inappropriate to treat news associations and organizations (and their respective members and employees) the same as all other non-federal actors, including lobbyists.

We have therefore petitioned OGE to make a rule change to permit government officials to attend events sponsored by news associations that otherwise meet the widely attended gathering rule (including the agency designee's determination that the interests of the agency in the official's attendance outweighs any appearance created thereby), provided that the source of any invitation for an executive branch official is an established news organization.

Effective immediately, we are suspending enforcement of the rule affecting widely attended gatherings solely as it relates to dinners sponsored by news associations for which admission for executive branch officials is paid for by news organizations until August 1, 1994 or until such time as OGE responds to our petition for a rule change, whichever is later. Each agency, of course, should continue to make its own decisions as to whether it is in their agency's interest for its employees to attend such events, including whether special conflict of interest concerns apply to the agency or the invited individual.

If you have any questions regarding this policy, please direct them to me.

DRAFT

December 9, 1993

Honorable Stephen D. Potts
Director
U.S. Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005-3917

Dear Mr. Potts:

As you are aware, there are several press associations, including the Washington Press Club Foundation, the White House Correspondents, the Gridiron Club, and the Radio-TV Correspondents, which sponsor annual press dinners. Traditionally, news organizations--companies whose employees are members of the associations--have purchased tables at the press dinners and directly have invited government officials to sit at their tables.

Because the Standards of Conduct regulations, in effect since February 3, 1993, prohibit employees from accepting invitations to widely attended gatherings from anyone other than the sponsor of the event, 5 C.F.R. § 2635.204(g)(2), employees who are invited to the press dinners directly by individual news organizations may not, at the present time, accept the invitation to attend the dinner.

The press occupies a unique role in our society. It is entrusted with the responsibility to gather information and record and disseminate accurately the events of each day and to provide the public with access to all of our institutions, most particularly government. The right of the press to do so is constitutionally protected. Our ethics regulations likewise should recognize and preserve the special role of the press in our democratic system.

Additionally, the press is unlike other non-federal individuals, organizations, and entities that regularly appeal to federal employees for official action in their own or their organization's pecuniary interest. When performing their official function, members of the press do not seek to do business with, nor do they seek official action from, the government officials about whom they are reporting. Rather, the press seeks to publish information about those actions being taken, without regard to whose benefit they inure. We believe that it is appropriate to treat news associations and organizations (and their respective members and employees) differently from other non-federal actors, including lobbyists.

Because it is in the public interest to foster communication

between the press and the government, we are seeking a change in the regulations to permit attendance at widely attended gatherings when the invitation is extended by a news organization if the sponsor of the event is a news association and the agency designee has made a determination of agency interest.

To effect such a change, we respectfully suggest that the following language be added to the end of 5 C.F.R. § 2635.204(g)(2):

An employee may accept an invitation received directly from a news organization to attend what would otherwise be considered a widely attended gathering sponsored by a news association, provided that the agency designee makes a determination of agency interest.

This language retains an element of control for those situations in which the agency regulates news organizations or otherwise is able to affect the interests of such organizations.

Because consideration of our request for a change in the rules understandably may take some time, we are suspending enforcement of the rule affecting widely attended gatherings solely as it relates to dinners sponsored by news associations for which admission of executive branch officials is paid by news organizations until August 1, 1994 or until such time as your office responds to our petition for a rule change, whichever is later. We have advised the Designated Agency Ethics Officials (DAEOs) that each agency should continue to make its own decisions as to whether its employees should attend such events. (See attached memorandum to DAEOs.)

If you have any questions, I would be glad to discuss this matter. Thank you in advance for your consideration of this change to the rules.

Sincerely,

Bernard W. Nussbaum
Counsel to the President

Attachment

Press Dinners
845

THE WHITE HOUSE
WASHINGTON

December 1, 1993

MEMORANDUM FOR MACK McLARTY

FROM: MARK GEARAN *MG by 2/8*
DIRECTOR OF COMMUNICATIONS

DAVID GERGEN *DG*
COUNSELOR

BERNARD W. NUSSBAUM *BN by 2/8*
COUNSEL

SUBJECT: Press Dinners

ACTION-FORCING EVENT

Dinners sponsored by press organizations such as the Washington Press Club Foundation, the White House Correspondents, the Gridiron Club, and the Radio-TV Correspondents (the "Associations") are scheduled in January, March, and April 1994. Under current ethics rules, these dinners cannot proceed in their traditional manner. In the view of the Associations and some White House officials, including David Gergen and Mark Gearan, modifications of the dinners to comport with the ethics rules would significantly alter the character of these dinners, and in some cases might bring their demise. Representatives of the Associations have therefore approached the White House seeking relief. Because invitations for several of the dinners are scheduled to be sent in December, it would be very helpful to give the Associations an answer by this Friday, December 3, 1993.

BACKGROUND

The Ethics Rules

Administration officials' attendance at press dinners or their acceptance of meals in a one-on-one situation with reporters is governed by the Standards of Ethical Conduct for Employees of the Executive Branch first promulgated in 1991 by the Office of Government Ethics ("OGE"). The ethics rules bar Administration officials from accepting gifts that cost more than \$20, with an annual limit of \$50 from one source. These rules restrict the acceptance of invitations from *any* non-federal source, if the invitation is offered because of the official's position, or it is offered by "prohibited sources" -- persons or organizations that have business before the official's agency or whose interests may be affected by the performance or nonperformance of the official's duties. Under these rules, journalists covering the White House are treated as "prohibited sources" conducting official business in the same manner as lobbyists and other outside organizations.

Traditionally, a news organization has bought a certain number of seats or tables for the press dinners, and invited and paid for those Administration officials it wished to host. Under current gift rules, however, the sponsors of the event, in this case the Associations, must invite and pay for government officials and must decide where they will be seated.

Despite the Associations' belief that journalists are not "prohibited sources" conducting official business, they have worked with us to try to make the dinners comport with the ethics rules. However, the possible approaches do not allow the Associations to preserve the unique nature of these events and would be administratively burdensome. At the end of the day, the news organizations could no longer ensure that those officials whose company they most desire would sit at their tables. The Associations therefore fear that the dinners will be so unattractive that news organizations will no longer support them.

Earlier this year, the White House worked out a compromise, suspending the application of the rules by Executive Order, so that these dinners could go forward in 1993. However, there is now a strong preference among all parties not to continue that compromise in 1994.

OPTIONS

Option 1: Seek a change in the ethics rules to permit press dinners to continue in their traditional manner.

Because the gift rules are based both on Executive Order and on statutory directive, OGE must be persuaded to change the rules. The Associations would like the White House to be actively involved in seeking this change. To change the rules, a formal proposal must be submitted to OGE. OGE would then consider the request and, if it is persuaded to change the rule, publish the proposed change in the Federal Register seeking public comments. White House officials recently met with OGE officials, and OGE is willing to consider a request for a rules change.

Option 1 is favored by Mark Gearan, David Gergen, and Bernie Nussbaum.

Option 2: Seek no changes in the rules.

The White House would leave the rules in place and not seek any changes. Instead, we would work with the Associations to help them comply with the rules, but leave it to the Associations to seek changes in the rules by petitioning OGE. We cannot predict OGE's decision, but it is likely that, absent White House support, OGE would turn down the Associations.

Option 2 is favored by Bruce Lindsey, Cheryl Mills and Beth Nolan.

DISCUSSION

Reasons to Seek a Change in the Rules

The special role of the press in our democratic society calls for rules which acknowledge both the role of the press in reporting on government functions and the need for government officials and the press to meet in settings outside the office to build relationships of trust. Such relationships help to make government more accountable. A journalist gathering news and information from government officials is not influencing policy decisions or seeking government benefits. Journalists are not conducting official business like lobbyists and other non-federal sources, and it is offensive to many journalists to be equated with lobbyists.

The venerable Washington institution of press dinners dates back to 1885 when Grover Cleveland attended the Gridiron Club dinner. Over the years, these dinners, along with opportunities to spend time outside of the office in more relaxed circumstances -- such as meals -- have been critical to building relationships of trust between journalists and government officials. It would be a serious mistake for this Administration, in an excess of zeal, to destroy these dinners.

Application of these ethics rules disrupts traditional practice without any evidence that a problem needed correction. These ethics rules impede the long-standing ways in which journalists and government officials interact -- whether at formal press dinners or at casual meals -- and have already chilled Administration relationships with reporters. Weakened relationships with the press lead to less complete reporting and, in fact, impinge on the kind of open atmosphere which can actually reinforce standards of ethical conduct.

The Associations have sought our assistance in changing these rules, and have made it clear that this is a priority for them. By providing this assistance, we would (i) recognize the legitimate difference between the work of journalists and the official business of lobbyists and other outside organizations, (ii) restore an environment conducive to good journalism, and (iii) enhance press relations.

Discussions about the Associations' press dinners have also prompted reconsideration of the prohibition on Administration officials accepting lunches or dinners worth more than \$20 at a time (to a total of \$50 annually) from members of the press. Arguably, the reasons for changing the ethics rules covering press dinners are even stronger in connection with the more general prohibition on meals with the press. However, given the time sensitivity surrounding the press dinners, we believe it is better not to seek additional changes at this time.

Reasons To Leave the Rules As They Are

The ethics rules apply equally to every non-federal person or organization doing business before the government, not just lobbyists. Even though reporters are not lobbyists, they do seek information and decisions from government officials. Whether an official will grant an interview, provide information on background, appear on a television show, set up a briefing, etc., is all "official business." The ethics rules are designed to protect against the actuality and appearance that public officials are trading on their official positions, that benefits to them change the conduct of official business, or that persons outside the government must pay a premium to have an official perform his or her responsibilities. Permitting government officials to accept meals from the press that they could not accept from others implicates these concerns.

Within the government ethics community, the press dinners are viewed as particularly important to the White House, while other dinners are more important to other agencies. Seeking this change thus exposes the White House to the charge that it is taking care of special White House interests. Dinners given by manufacturing associations, environmental groups, etc., are still subject to the rules, even though it may be important for Commerce or EPA officials to attend such events and develop good relationships with those groups. Even events of charitable groups, such as the Children's Defense Fund, the National Women's Law Center, and the Kennedy Center, have had to comport with the rules. It would be better, although still not desirable, to seek a change in the widely attending gathering exception altogether, rather than to seek a change to accommodate only the press.

The Associations contend that news organizations must be able to claim particular Administration officials as their guests at these events. However, the Associations could continue these dinners if they invited and arranged the seating of Administration officials. The desire to have "choice" Administration officials seated at their tables is not a reason to change the ethics rules.

Other government ethics officials will likely perceive a move to change the rules for the press as reflecting a lack of commitment to ethics rules that prove inconvenient to the White House.

DECISION

- ___ Option 1: Seek a change in the ethics rules to permit press dinners to continue in their traditional manner.

- ___ Option 2: Seek no changes in the rules.

DRAFT

THE WHITE HOUSE
WASHINGTON
December 13, 1993

Press Dinners

Honorable Stephen D. Potts
Director
U.S. Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005-3917

Dear Mr. Potts:

As you are aware, there are several press associations, including the Washington Press Club Foundation, the White House Correspondents, the Gridiron Club, and the Radio-TV Correspondents, which sponsor annual press dinners. Traditionally, news organizations--companies whose employees are members of the associations--have purchased tables at the press dinners and directly have invited government officials to sit at their tables.

Because the Standards of Conduct regulations, in effect since February 3, 1993, prohibit government officials from accepting invitations to widely attended gatherings from anyone other than the sponsor of the event, 5 C.F.R. § 2635.204(g)(2), officials who are invited to the press dinners directly by individual news organizations may not, at the present time, accept the invitation to attend the dinner.

We believe that it is proper to treat news associations and organizations (and their respective members and employees) differently from other non-federal actors. We are, therefore, seeking a change in the regulations to permit attendance at widely attended gatherings when the invitation is extended by a news organization, if the sponsor of the event is a news association and the agency designee has made a determination of agency interest.

As you know, the press is entrusted with the unique responsibility to gather, record, and disseminate accurately information about the events of each day as well as to provide the public with access to all of our institutions, most particularly government. Our ethics regulations should recognize and preserve this special role of the press in our democratic system.

The press, unlike other non-federal individuals, organizations, and entities, does not regularly appeal to federal employees for official action in their own or their organization's pecuniary interest. When performing their official function, members of the press do not seek to do business with, nor do they seek official action from, the government officials about whom they

are reporting. Rather, the press seeks to gather and publish information about those actions being taken, without regard to whose benefit such information may inure. The press, in effect, functions on behalf of the greater public good. In recognition of the value of the role of the press, and specifically of their relationship to government officials, we believe that it is inappropriate to treat news associations and organizations in the same manner as other non-government actors, including lobbyists.

To effect a change in the applicable ethics rules, we respectfully suggest that the following language be added to the end of 5 C.F.R. § 2635.204(g)(2):

An employee may accept an invitation received directly from a news organization to attend what would otherwise be considered a widely attended gathering sponsored by a news association, provided that the agency designee makes a determination of agency interest.

This language retains an element of control for those situations in which the agency regulates news organizations or otherwise is able to affect the interests of such organizations.

Understandably, consideration of our request for a change in the rules may take some time. In the interim, we are suspending enforcement of the rule affecting widely attended gatherings solely as it relates to dinners sponsored by news associations for which admission of executive branch officials is paid by news organizations until August 1, 1994 or until such time as your office responds to our petition for a rule change, whichever is later. We have advised the Designated Agency Ethics Officials (DAEOs) that each agency should continue to make its own decisions as to whether its employees should attend such events. (See attached memorandum to DAEOs.)

If you have any questions, I would be glad to discuss this matter. Thank you in advance for your consideration of this change to the rules.

Sincerely,

Bernard W. Nussbaum
Counsel to the President

Attachment

DRAFT

THE WHITE HOUSE

WASHINGTON

December 13, 1993

MEMORANDUM FOR DESIGNATED AGENCY ETHICS OFFICIALS

FROM: BERNARD W. NUSSBAUM
COUNSEL TO THE PRESIDENT

SUBJECT: Press Dinners

The White House has petitioned the Office of Government Ethics ("OGE") for a rule change with regard to the application of the "widely attended gathering" exception in the Standards of Ethical Conduct for Executive Branch Employees. In particular, we have asked OGE to permit, consistent with the Standards of Conduct, an executive branch official to accept an invitation to attend an event that qualifies as a widely attended gathering and is sponsored by a news association, where the invitation has been offered by a news organization.

The press is entrusted with the unique responsibility to gather, record, and disseminate accurately information about the events of each day and to provide the public with access to all of our institutions, most particularly government. Our ethics regulations should recognize and preserve the special role of the press in our democratic system.

Unlike other non-federal individuals, organizations, and entities, the press does not regularly appeal to federal employees for official action in their own or their organization's pecuniary interest. When performing their official function, members of the press do not seek to do business with, nor do they seek official action from, the government officials about whom they are reporting. Rather, the press seeks to gather and publish information about those actions being taken, without regard to whose benefit such information may inure. We therefore believe that it is inappropriate to treat news associations and organizations (and their respective members and employees) the same as all other non-federal actors, including lobbyists.

Accordingly, we have petitioned OGE to make a rule change to permit government officials to attend events sponsored by news associations that otherwise meet the widely attended gathering rule (including the agency designee's determination that the interests of the agency in the official's attendance outweighs any appearance created thereby), provided that the source of any invitation for an executive branch official is an established news organization.

Effective immediately, we are suspending enforcement of the rule affecting widely attended gatherings solely as it relates to dinners sponsored by news associations for which admission for executive branch officials is paid for by news organizations until August 1, 1994 or until such time as OGE responds to our petition for a rule change, whichever is later. Each agency, of course, should continue to make its own decisions as to whether it is in their agency's interest for its employees to attend such events, including whether special conflict of interest concerns apply to the agency or the invited individual.

If you have any questions regarding this policy, please direct them to me.

Press Dinners Ethics

THE WHITE HOUSE
WASHINGTON

December 21, 1993

The Honorable Stephen D. Potts
Director
U.S. Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005-3917

Dear Mr. Potts:

As you are aware, there are a number of press associations, including, but not limited to, the Washington Press Club Foundation, the White House Correspondents, the Gridiron Club, and the Radio-TV Correspondents, which sponsor annual press dinners. Traditionally, news organizations -- companies whose employees are members of the associations -- have purchased tables at the press dinners and directly have invited government officials to sit at their tables.

Because the Standards of Conduct regulations, in effect since February 3, 1993, prohibit government officials from accepting invitations to widely attended gatherings from anyone other than the sponsor of the event, 5 C.F.R. § 2635.204(g)(2), officials who are invited to the press dinners directly by individual news organizations may not, at the present time, accept the invitation to attend the dinner.

We believe that it is proper to treat news associations and organizations (and their respective members and employees) differently from other non-federal actors. We are, therefore, seeking a change in the regulations to permit attendance at widely attended gatherings when the invitation is extended by a news organization, if the sponsor of the event is a news association and the agency designee has made a determination of agency interest.

As you know, the press is entrusted with the unique responsibility to gather, record, and disseminate accurately information about the events of each day as well as to provide the public with access to all of our institutions, most particularly government. Our ethics regulations should recognize and preserve the special role of the press in our democratic system.

The press is unlike other non-federal individuals, organizations, and entities. When performing their official function, members of the press do not seek to do business with, nor do they seek

Mark
Signed, mailed
and being delivered
this afternoon
I plan to call
the press dinner
people around 4:00
unless you think
it is a bad idea -
pls let me know
what if anything needs
to be done
Thank you
Jody (2195)

official action from, the government officials about whom they are reporting. Rather, the press seeks to gather and publish information about those actions being taken, without regard to whose benefit such information may inure. The press, in effect, functions on behalf of the greater public good. In recognition of the special nature of the press' role, and specifically of its relationship to government officials, we believe that it is appropriate to treat news associations and organizations differently from other non-government actors, including lobbyists.

This could be accomplished by amending the widely attended gathering exception to permit employees to accept invitations directly from news organizations for the press dinners. To effect this change, we respectfully suggest that the following language be added to the end of 5 C.F.R. § 2635.204(g)(2):

An employee may accept an invitation received directly from a news organization to attend what would otherwise be considered a widely attended gathering sponsored by a news association, provided that the agency designee makes a determination of agency interest.

This language retains an element of control (through agency designee determination of agency interest) for those situations in which the agency is able to affect the interests of inviting organizations.

There is an alternative approach that you also may wish to consider. While the change we are recommending would solve the problem of the press dinners, we are also aware that there are many dinners and other events that are organized so that non-sponsors invite federal employees. Often organizers, particularly non-profit entities, are unable to structure an event other than by allowing other entities to purchase tables and do the inviting. As is the case with the press dinners, the widely attended gathering exception, as it currently exists, would not allow acceptance of such invitations. We believe that the exception could be broadened without harm to the ethics principles that underlie it.

Thus, we believe it also would be appropriate, if you so choose, in lieu of amending the rule only for the press dinners, to make a broader change in order to enable government officials to attend a greater number of events that benefit their agency's programs. The widely attended gathering exception appropriately could be amended to permit employees to accept an invitation from persons other than the sponsor to attend a widely attended gathering at which at least 100 persons will be in attendance, provided that the total cost of admission (including a spouse or guest, if a spouse or guest also has been invited and is

authorized to attend) does not exceed \$250. Employees who attend events at which at least 100 people will be attending are more likely to have an opportunity to meet and talk with many individuals as opposed to a select few. Of course, the current rule would remain in effect for gatherings at which less than 100 persons will be in attendance or events at which the cost of attendance is greater than \$250.

If you choose to effect the broader change to the widely attended gathering exception, we recommend that the language of 5 C.F.R. § 2635.204(g)(2) be revised as follows (additions in italics):

(2) Widely attended gatherings. When there has been a determination that his attendance is in the interest of the agency because it will further agency programs or operations, an employee may accept (A) a sponsor's unsolicited gift of free attendance at all or appropriate parts of a widely attended gathering of mutual interest to a number of parties or (B) *any unsolicited gift of free attendance at all or appropriate parts of a widely attended gathering to which at least 100 persons have been invited, provided that the cost for the employee (or the employee and his spouse or guest, if authorized) to attend the event does not exceed \$250. A gathering is widely attended .*

. .

This language also retains an element of control (through agency designee determination of agency interest) for those situations in which the agency is able to affect the interests of inviting organizations.

Understandably, consideration of this request for a change in the rule may take some time. However, the press dinners are to begin in January and continue throughout the year. Therefore, a more immediate solution is necessary, and in the interim, I am asking agency heads to suspend, until August 1, 1994, or until such time as your office responds to our petition for a rule change, whichever is later, administrative enforcement of the rule affecting widely attended gatherings solely as it relates to dinners sponsored by news associations for which admission of executive branch officials is paid by news organizations.

We have advised the heads of agencies that each agency should continue to make its own decisions as to whether its employees should attend such events. (See attached memorandum to All Agency Heads.)

I would welcome your thoughts regarding this matter, and if you have any questions, please call me. Thank you in advance for your consideration of an amendment to the rule.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bernard W. Nussbaum", written in a cursive style.

Bernard W. Nussbaum
Counsel to the President

Attachment

THE WHITE HOUSE

WASHINGTON

December 21, 1993

MEMORANDUM FOR ALL AGENCY HEADS

FROM: BERNARD W. NUSSBAUM
COUNSEL TO THE PRESIDENT

SUBJECT: Press Dinners

The White House has petitioned the Office of Government Ethics ("OGE") for a rule change with regard to the application of the "widely attended gathering" exception in the Standards of Ethical Conduct for Executive Branch Employees. In particular, we have asked OGE to permit, consistent with the Standards of Conduct, an executive branch official to accept an invitation to attend an event that qualifies as a widely attended gathering and is sponsored by a news association, where the invitation has been offered by a news organization.

The press is entrusted with the unique responsibility to gather, record, and disseminate accurately information about the events of each day and to provide the public with access to all of our institutions, most particularly government. Our ethics regulations should recognize and preserve the special role of the press in our democratic system.

The press is unlike other non-federal individuals, organizations, and entities. When performing their official function, members of the press do not seek to do business with, nor do they seek official action from, the government officials about whom they are reporting. Rather, the press seeks to gather and publish information about those actions being taken, without regard to whose benefit such information may inure. The press, in effect, functions on behalf of the greater public good. In recognition of the special nature of the press' role, and specifically of its relationship to government officials, we believe that it is therefore not appropriate to treat news associations and organizations (and their respective members and employees) the same as all other non-federal actors, including lobbyists.

Accordingly, we have petitioned OGE to make a rule change to permit government officials to attend events sponsored by news associations that otherwise meet the widely attended gathering rule (including the agency designee's determination that the interests of the agency in the official's attendance outweighs any appearance created thereby), provided that the source of any invitation for an executive branch official is an established news organization. As an alternative approach, we have offered

for OGE's consideration an amendment to the rule that also would cover other dinners and events.

Effective immediately, the White House is asking agency heads to suspend, until August 1, 1994, or until such time as OGE responds to our petition for a rule change, whichever is later, administrative enforcement of the rule affecting widely attended gatherings solely as it relates to dinners sponsored by news associations for which admission for executive branch officials is paid for by news organizations. Each agency, of course, should continue to make its own decisions as to whether it is in their agency's interest for its employees to attend such events, including whether special conflict of interest concerns apply to the agency or the invited individual.

If you have any questions regarding this policy, please direct them to me.

cc: Designated Agency Ethics Officials