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OA/ID Number: 6975

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Folder Title:

Personnel Security Miscellaneous : Senate QFRs [Question for the Record] Drafts and Date [3]

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DeCONCINI

1. What type of security or ethics training is given to White House employees? Is this done when they are in a temporary position or permanent position?

Every employee in the Executive Office of the President, whether permanent or temporary, is required to receive annual ethics training. Additionally, individuals who are detailed to the White House from other agencies are encouraged to attend the White House ethics training sessions.

The ethics briefings are one hour in length and cover the conflict of interest statutes, the Executive Branch standards of conduct regulations, and White House policies. Employees are given the opportunity to ask questions and are provided with written materials, including the names and telephone numbers of White House ethics officials.

In accordance with a regulatory requirement, the White House has an ethics training plan on file with the Office of Government Ethics.

Prior to the issuance of a permanent pass, all EOP employees (and detailees) are briefed on security procedures and the appropriate handling of classified information. Under current procedures, all EOP employees receive the briefing within 60 days of their start date. The same principles are reiterated in written materials distributed to all White House staff. Every individual who is cleared for access to compartmented information receives an additional one-on-one security briefing.

2. Is the NSC at all involved in overseeing the protection of classified documents at the White House?

The NSC does not "oversee" any aspect of the White House, including practices and procedures for the protection of classified information. Pursuant to its responsibility to advise and assist the President in the area of national security, NSC staff are subject to, and observe, those rules pertaining to the safeguarding of national security information applicable to all government employees, including special restrictions on the handling of compartmented information. All NSC employees with permanent or temporary White House passes hold a TOP SECRET clearance with SCI access.

3. With reference to the number of background investigations not yet completed on White House, Vice Presidential and Office of Policy Development employees, can you tell us:

(a) How many have been fully investigated by the FBI?

There are 68 employees of the White House Office, Office of the Vice President and Office of Policy Development whose FBI background investigations have been completed but who have not yet received their permanent passes.

(b) How many are at the White House pending transfer to the Secret Service for permanent past requests? How long have they been there.

There are 36 employees of the White House Office, Office of Vice President and Office of Policy Development whose FBI background investigation is complete, but whose file has not yet been forwarded to the Secret Service.

(c) How many background investigations have not yet been initiated due to the paperwork not being complete?

Twenty nine employees of the WHO, OVP and OPD have not submitted the paperwork necessary to initiate the FBI background investigation. All such individuals began work within the last 30 days and are, therefore, in compliance with the Chief of Staff's directive that all security related paperwork be completed within 30 days of employment.

(d) How many are not yet back from the FBI?

There are 77 employees of the WHO, OVP and OPD whose FBI investigations have been initiated by the FBI, but are not yet complete.

(e) How many backgrounds have been requested by the White House which been at the FBI for longer than 45 days?

There are 23 individuals employed by the White House Office whose background investigation has been pending at the FBI for more than 45 days. There are three such individuals employed by the OPD and none employed by OVP.

(f) What is the status of these investigations?

These investigations are pending.

- (g) Could you tell the Committee where this Administration is vis-a-vis the background investigations on its employees versus the previous Administrations?**

The White House does not maintain records that would permit a precise comparison. It is our understanding that, at present, the time frame for issuing permanent passes (including completion of background investigations) is comparable to that of previous administrations.

- (h) What is your plan to eliminate the backlog of employees who have temporary passes?**

As the result of a comprehensive review undertaken by White House Counsel's Office, the backlog has been substantially reduced. At present, 338 WHO, OVP, and OPD employees (or detailees) have received a permanent pass. Of those still holding a temporary pass, a substantial number [43 plus detailees] began work within the last 120 days. If such new arrivals are factored out, over 80% of all such employees and detailees have their permanent pass.

As these figures reflect, the current procedures have addressed certain operational inefficiencies, which had contributed to a backlog. Employees now receive a permanent pass, on average, within 120 days of their start date. While precise data are not available, issuing passes in that time frame compares favorably with the record of past administrations.

- 4. With reference to access to top-secret security information, it is my understanding that at the White House, once a favorable full-field background investigation has been completed by the FBI, that an individual has access to up to top-secret information on a "need-to-know" basis, which is determined by the White House Chief of Staff.**

- (a) Ms. Thomasson, can you tell us how the Chief of Staff makes a determination as to whether or not an individual has a "need-to-know" for access to classified information?**

This determination is not made by the Chief of Staff. It is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." All White House employees are advised that, when in doubt, they should contact the White House Personnel Security Office to verify the level of any given individual's security clearance.

- (b) Which intelligence community agency, if any, reviews these full-field backgrounds prior to any individual being given access to classified information?**

White House employees with Top Secret security clearances are eligible for SCI access. This access is only provided where an employee has a specific need to know the relevant compartmented information and the CIA (on behalf of the DCI) has reviewed the employee's background investigation and approved such access. In the case of government employees detailed to the White House (including the NSC), SCI access may already have been approved by the detailing agency, which certifies such clearance to the White House or NSC before that employee is given SCI access at the White House.

- 5. It seems to me that many people within the White House may have access to classified documents and briefings, which go well beyond the "top secret" classification.**

- (a) Do any individuals at the White House have security clearances which exceed top secret? Can you identify those individuals for me?**

Some White House employees hold Top Secret clearances with access to Sensitive Compartmented Information (SCI). It would not be appropriate to identify such individuals.

- (b) What process ensures that others who do not possess security clearances do not have access to classified information above the top secret level?**

A number of procedures and policies guard against the unauthorized disclosure of classified information. Most significantly, it is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." That fundamental principle is explained in detail in the security briefing all White House staff are required to attend and reiterated in written materials distributed to the entire staff. In addition, all White House employees are advised that disclosure of classified information to unauthorized persons may result in criminal prosecution and that, when in doubt, they should contact the White House Personnel Security Office to verify the level of any given individual's security clearance.

- (c) Do any individuals, who are not employed by the White House have access to classified information?**

Some individuals detailed from other federal agencies (e.g. the Department of Defense) have access to classified information on a need to know basis. (All such individuals have an appropriate security clearance.) In addition, a limited number of contractors have been granted security clearances. All such individuals have (1) been the subject of a full field FBI background check and (2) received a security briefing.

- (d) What system of controls do you have in place at the White House that ensures that sensitive classified information is secure?**

Please see response to Subpart (b) above.

D'AMATO

- 6. How many detailees are in positions that would require security clearances? How many detailees have security clearances? Do any members of the First Lady's staff require security clearances?**

A number of detailees come to the White House with a security clearance. Even if they already have a clearance, however, detailees who are at the White House for more than 90 days are subject to a full field FBI background investigation. Detailees are covered by the same rules governing access to classified information as are other employees. Members of the First Lady's staff, like other White House employees, are authorized to have access to Top Secret information on a "need to know basis" only upon favorable adjudication of their background investigations. While such situations do occasionally arise, ~~as a general rule~~, members of the First Lady's staff do not routinely have a "need" for access to classified information.

- 7. Chief of Staff Mack McLarty has referred to "non-governmental persons who render regular services to the Administration" that work in the White House. Please define a "non-governmental person" and provide a breakdown of how many there are, or have been since the Administration has taken office. How many of these "non-governmental persons" require security clearances, and how many have obtained them?**

[Beth Nolan to provide]

INSERT: SENATOR DECONCINI

What is the average number of individuals in the "pipeline" for security clearances.

Under present procedures, it takes, on average, 120 days from an employee's start date to the day he or she is issued a permanent pass. The number of individuals in the "pipeline" depends on the number of new hires and detailees during the period in question. As a working estimate, the White House Personnel Security office projects that, at any given time, approximately [20%??] of all White House FTE's will be in the pipeline.

Preliminary

Inserts for the Record
Senate Hearing
March 25, 1994

DeConcini

- Have* - Wanted background information on the Armstrong Case
- ?* - Wanted to know average number of people in pipeline for security clearances
- Wanted* - Wanted numbers of detailees, reimbursable and non-reimbursable by agency for 1995
- ✓ - Wanted to know average stay at NSC for detailees.
- ✓ - Asked for examples of assignees at the WHO
- ✓ - Wanted listing of PFIAB members including their background
- ✓ - Wanted information on the history of PFIAB, EO's, etc.

*P.02
g Th*

Bond

- ✓ Requested information of the composition of the Health Care Task Force

P.104

Asked for list of recusals for McClarty, Ickes, Williams, Kennedy, and Thomasson and who maintained these recusals

D'Amato

Asked for chronological biography of Patsy *from House*

average amount of time they have been in pipeline:

DRAFT

APR 26 1994

DRAFT

QUESTIONS SUBMITTED FOR THE RECORD BY SENATOR DECONCINI

WHITE HOUSE OFFICE

Question. Your overview states that the most significant component of the requested 7.9% increase for the White House Office above the FY 94 budget is for personnel compensation and benefit costs, and that 65% of the total increase will be for "top quality advisors who require a higher level of compensation." How many of these positions are at the Senior Executive Service (SES) level or the equivalent in terms of pay?

Answer. [FMD/PMD]

Question. How will this request comply with the President's mandate (Executive Order #12829) to cut senior positions by 10%?

Answer. Executive Order 12839, (February 10, 1993) directed that each executive department or agency with over 100 employees "shall eliminate" not less than 4 percent of its civilian personnel positions over the next three fiscal years. OMB Bulletin 93-08 established the guidelines under which this reduction would be achieved. The White House Office had established FTE levels for the beginning of fiscal year 1994 that exceeded the requirements of both the OMB guidance and the E.O.

Question. What is the ratio of professional staff to support staff at the White House?

Answer. The budget request will allow for an increase in policy staff and a reduction in support staff; this change of ratio of policy to support accounts for the higher average increase in ungraded positions. The number of GS equivalent positions remains at the same level in fiscal year 1994 and 1995.

Question. What would be the effect if the increased funds for staff salaries were not provided?

Answer. If the requested increase is not provided, we will not be able to provide the President with the quality staff he needs.

Question. Your budget request for the White House indicates that "funds were reprogrammed into personnel compensation in FY 1994 to cover increased personnel costs associated with recruiting and maintaining a higher level of expertise to support the President's ongoing initiatives." Can you tell us

specifically how much was reprogrammed and for what specific personnel compensation purposes?

Answer. Funds were reprogrammed into all areas of personnel compensation to accurately display where the expenditures would be made.

Question. Can you tell us where the funds were reprogrammed from?

Answer. The funds were reprogrammed from all object classes with the exception of the travel line item.

Question. Did this reprogramming exceed the 10 percent or \$500,000 threshold?

Answer. No.

Question. Your statement to this Subcommittee last year indicated that the size of your staff would not change, but that it would be "distributed differently, with more policy than staff personnel." For fiscal year 1995, it appears that you intend to increase the ratio of policy staff v. support staff? Can you tell us why this is necessary?

Answer. The budget request will allow for an increase in policy staff and a reduction in support staff; this change of ratio of policy to support accounts for the higher average increase in ungraded positions. The number of GS equivalent positions remains at the same level in fiscal year 1994 and 1995.

Question. Can you explain your assertion that the Federal Employees Retirement System (FERS) costs for new White House employees are greater than the costs of the Civil Service Retirement System (CSRS), when FERS was enacted to supply a cost savings to the government? Are you referring to the agency matching contributions related to the Thrift Savings Plan?

Answer. Currently, the FERS cost for new White House employees is approximately 12 percent while the CSRS is 7 percent.

The agency matches the employee contributions up to 5 percent. With the increased staff covered by FERS this amount is increasing.

AUTOMATION ENHANCEMENTS

Question. Why were the funds provided in fiscal year 1994 not sufficient for this purpose standardizing automation?

Question. Can you tell us specifically what items will be purchased in fiscal year 1995 with the additional funds requested?

Question. How did these computer upgrades affect the administrative staff (i.e., did it eliminate any clerical support positions)?

CORRESPONDENCE

Question. How many permanent positions are devoted to correspondence and how many volunteers do you use for this purpose?

Answer. Currently, there are 88 employees in the correspondence office.

GSA Rents

Question. You have requested an increase of \$400,000 to GSA for rent charges for space for White House employees for offices, parking, etc. What is your explanation of this increase?

Answer. The increase in office rent is to cover costs associated with temporary and permanent space for WHO employees at rates established by the General Services Administration. These space changes included providing temporary space for employees during the roof renovation of the Old Executive Office Building as well as housing different personnel associated with the President's many ongoing initiatives.

Question. Your budget also requests an increase of \$197,000 to expand the President's ability to communicate with the public via satellite feeds. Funding was provided in fiscal year 1994 for the installation of this equipment. Can you tell us why these additional funds are necessary in fiscal year 1995, how many satellite feeds the President intends to undertake, and why your existing budget cannot accommodate these requirements?

Answer. The President continues to experience tremendous demands for his time. These demands exceed available time and travel resources. The funds requested will be used to cover the usage fees for each satellite hookup.

Question. How much is currently budgeted for satellite activities?

Answer. Currently there is \$200,000 budgeted for satellite activities.

Question. In the "Other Services" object class, you are requesting an increase of \$177,000. Your justification states that this increase is due primarily to the continued development of the White House correspondence system. How much is currently budgeted for the correspondence system and what enhancements will be provided through this increase?

Answer. The \$150,000 requested in this budget would allow other divisions of the White House to integrate their correspondence within the existing system, as well as provide "read only" access of Presidential correspondence by selected individuals and/ or divisions.

Question. What would be the impact if these additional funds were denied?

Question. Your budget also requests an additional \$60,000 for enhancing computer services. Your justification states that these funds are required to ensure a broader application of desktop technology and a greater reliance on commercial timesharing devices. Can you provide additional information on this request, what commercial timeshare devices do you intend to rely on and for what purposes?

Answer. [FMD]

OFFICE OF ADMINISTRATION

For the Office of Administration, you are requesting a 14.5% increase or \$3.6 million over last year's appropriation. You have indicated that \$206,00 of the increase is to fund an additional 3 FTEs, a GS-14 and two GS-13s, to meet the requirements laid on EOP as a result of the Armstrong case.

Question. Why isn't the current staffing level within OA sufficient to meet the demands due to the Armstrong case?

Answer. Within the Office of Administration, the records management function is part of the Information Systems and Technology (IS&T) Division. There are currently two FTEs dedicated to records management throughout the EOP community. The services provided by these two individuals are more than fully utilized in managing the existing volume of records, primarily paper, generated by the EOP. Managing the records generated by electronic mail presents additional requirements that need to be satisfied. This includes both an additional volume of documents requiring review and evaluation and a new challenge in working with them in electronic form using different technology. At present, IS&T has no available staff who could be trained to perform the required tasks.

Question. How do you justify the grade levels for these new positions, which you describe are needed for classifying, sorting, and disposing of electronic records?

Answer. The records management function normally requires specialized skills and knowledge. Further, the introduction of an electronic tool to manage computer generated electronic mail records will require additional skills and knowledge in the information technology arena. The intention of IS&T is to seek individuals who possess both skill sets, records management and technology. This combination of abilities and experience is scarce and not readily available in less senior candidates.

IS&T is a technical organization of primarily professional level staff. With the records management function centralized in OA, the records staff must interface not only with records liaison staff but also with high-level officials in the component agencies. OA's situation is further complicated by the fact that the records manager is planning to retire by the end of the current fiscal year, thus removing skills and long-standing institutional knowledge from OA's access. IS&T will seek a person at the grade 14 level that surpasses the current skill set that will be lost through the retirement, specifically to bring technological expertise that will be necessary in this new environment. The two grade 13 positions are anticipated to bring a strong computer specialist focus to the implementation and operational

support across the customer base. The new system will require the staff to understand the technical complexities of the applications that compose the system as well as to provide system administration functions. This includes complex-wide implementation and ongoing support for such programs and activities as: training, detailed procedures manuals, monitoring, statistical analysis, record/application reviews, disposition application support, document management applications and related software necessitated by the transition to an electronic environment.

Your overview asserts that 94% of the budget request for the Office of Administration is to maintain a current services level, which includes "additional EOP customer support." In fact, your budget for OA requests an additional \$1.535 million to enhance EOP customer support.

Question. Can you please explain what additional support will be provided and to what EOP agencies from the Office of Administration?

Question. Can you identify by EOP agency, the percentage support provided from OA? What are the total costs to OA and how much manpower is devoted to this support?

Your budget request for the Office of Administration includes a 1.6% increase for promotions, within-grade increases, and employee benefits. Your budget also states that "According to guidance from OMB, no funding is requested in FY 1995 for locality based pay."

It is my understanding that all Executive agency budgets include the funds required to continue the 1994 locality pay adjustment in fiscal year 1995. However, that the second increment for the locality-based adjustment scheduled to take effect in 1995 has not been budgeted.

Question. Are you referring to the 1994 locality raise or the 1995 raise?

Question. You show 12 reimbursable FTE positions, with an average GS grade of 14.

Answer. The reimbursable FTE positions referenced in the budget request reflect the last year of this activity which provided systems development support to the White House and the Office of Management and Budget which was reimbursed to the Office of Administration by these agencies. These reimbursable positions were eliminated as a part of the President's 25 percent staffing reduction.

Question. Are any of these positions detailees from other agencies?

CRAIG,

Please review for factual accuracy,

DeCONCINI

Thomas, Chu X52277

1. What type of security or ethics training is given to White House employees? Is this done when they are in a temporary position or permanent position?

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5-3854

3. With reference to the number of background investigations not yet completed on White House, Vice Presidential and Office of Policy Development employees, can you tell us:

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(d) How many are not yet back from the FBI?

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(e) How many backgrounds have been requested by the White House which been at the FBI for longer than 45 days?

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(f) What is the status of these investigations?

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- (g) Could you tell the Committee where this Administration is vis-a-vis the background investigations on its employees versus the previous Administrations?

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- (a) Ms. Thomasson, can you tell us how the Chief of Staff makes a determination as to whether or not an individual has a "need-to-know" for access to classified information?

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- (d) What system of controls do you have in place at the White House that ensures that sensitive classified information is secure?**

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D'AMATO

- 6. How many detailees are in positions that would require security clearances? How many detailees have security clearances? Do any members of the First Lady's staff require security clearances?**

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- 7. Chief of Staff Mack McLarty has referred to "non-governmental persons who render regular services to the Administration" that work in the White House. Please define a "non-governmental person" and provide a breakdown of how many there are, or have been since the Administration has taken office. How many of these "non-governmental persons" require security clearances, and how many have obtained them?**

[Beth Nolan to provide]

DeCONCINI

Copy of CRAIS

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granted security clearances after satisfactory adjudication of their background investigations. Political advisors with regular access to the White House undergo full field background investigations, but no political advisor presently has access to classified information.

INSERT: SENATOR DECONCINI

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2/1/80
JMB/CP

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(a) How many have been fully investigated by the FBI?

MAY 3
As of ~~April 26~~, 1994, there were ⁵⁹ employees of the White House Office, Office of the Vice President and Office of Policy Development whose FBI background investigations have been completed but who have not yet received their permanent passes.

28
16
7
4
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59

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MAY 3, 1994
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26
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MAY 1
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As of ~~April 26~~, 1994, there were 77 employees of the WHO, OVP and OPD whose FBI investigations have been initiated by the FBI, but are not yet complete.

(e) How many backgrounds have been requested by the White House which been at the FBI for longer than 45 days?

Secret: MAY 1, 1994
As of ~~April 26~~, 1994, there were 23 individuals employed by the White House Office whose background investigation has been pending at the FBI for more than 45 days. There are three such individuals employed by the OPD and none employed by OVP.

22
23
0

23

(f) What is the status of these investigations?

These investigations are pending.

Can
this
be
updated

CRAIG,
are my
changes
correct.

I really want
to get this
done by
tomorrow.
Possible??



505 Employees
- 63 Employees
442
349 Passes
 $\frac{349}{442} = 79\%$

- (g) Could you tell the Committee where this Administration is vis-a-vis the background investigations on its employees versus the previous Administrations?

The White House does not maintain records that would permit a precise comparison. It is our understanding that, at present, the time frame for issuing permanent passes (including completion of background investigations) is comparable to that of previous administrations.

- (h) What is your plan to eliminate the backlog of employees who have temporary passes?

As the result of a comprehensive review undertaken by White House Counsel's Office, the backlog has been substantially reduced. At present, 349 WHO, OVP, and OPD employees (or detailees) have received a permanent pass. Of those still holding a temporary pass, a substantial number began work since January 1, 1994. If such new arrivals are factored out, ~~over 76%~~ 81% of all such employees and detailees have their permanent pass. 74%

As these figures reflect, the current procedures have addressed certain operational inefficiencies, which had contributed to a backlog. Employees now receive a permanent pass, on average, within 120 days of their start date. While precise data are not available, issuing passes in that time frame compares favorably with the record of past administrations.

4. With reference to access to top-secret security information, it is my understanding that at the White House, once a favorable full-field background investigation has been completed by the FBI, that an individual has access to up to top-secret information on a "need-to-know" basis, which is determined by the White House Chief of Staff.

- (a) Ms. Thomasson, can you tell us how the Chief of Staff makes a determination as to whether or not an individual has a "need-to-know" for access to classified information?

This determination is not made by the Chief of Staff. It is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." All White House employees are advised that, when in doubt, they should contact the White House Personnel Security Office to verify the level of any given individual's security clearance.

- (b) Which intelligence community agency, if any, reviews these full-field backgrounds prior to any individual being given access to classified information?**

White House employees with Top Secret security clearances are eligible for SCI access. This access is only provided where an employee has a specific need to know the relevant compartmented information and the CIA (on behalf of the DCI) has considered the employee's background investigation and approved such access. In the case of government employees detailed to the White House (including the NSC), SCI access may already have been approved by the detailing agency, which certifies such clearance to the White House or NSC before that employee is given SCI access at the White House.

- 5. It seems to me that many people within the White House may have access to classified documents and briefings, which go well beyond the "top secret" classification.**

- (a) Do any individuals at the White House have security clearances which exceed top secret? Can you identify those individuals for me?**

Some White House employees hold Top Secret clearances with access to Sensitive Compartmented Information (SCI). It would not be appropriate to identify such individuals.

- (b) What process ensures that others who do not possess security clearances do not have access to classified information above the top secret level?**

A number of procedures and policies guard against the unauthorized disclosure of classified information. Most significantly, it is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." That fundamental principle is explained in detail in the security briefing all White House staff are required to attend and reiterated in written materials distributed to the entire staff. (Individuals with clearance to review compartmented information are given an additional one-on-one briefing on security precautions.) In addition, all White House employees are advised that disclosure of classified information to unauthorized persons may result in criminal prosecution and that, when in doubt about a potential recipient of classified information, they should contact the White House Personnel Security Office to verify the level of his or her security clearance.

- Do we know
how many
contracts
have
clearance

- Check hrs
2 at on rep.

- (c) Do any individuals, who are not employed by the White House have access to classified information?

Some individuals detailed from other federal agencies (e.g. the Department of Defense) have access to classified information on a need to know basis. (All such individuals have an appropriate security clearance.) In addition, a limited number of contractors have been granted security clearances. All such individuals have (1) been the subject of a full field FBI background check and (2) received a security briefing.

- (d) What system of controls do you have in place at the White House that ensures that sensitive classified information is secure?

Please see response to Subpart (b) above.

D'AMATO

6. How many detailees are in positions that would require security clearances? How many detailees have security clearances? Do any members of the First Lady's staff require security clearances?

A number of detailees come to the White House with a security clearance. Even if they already have a clearance, however, detailees who are at the White House for more than 90 days are subject to a full field FBI background investigation. Detailees are covered by the same rules governing access to classified information as are other employees. Members of the First Lady's staff, like other White House employees, are authorized to have access to Top Secret information on a "need to know basis" only upon favorable adjudication of their background investigations. While such situations do arise, members of the First Lady's staff do not routinely have a "need" for access to classified information.

7. Chief of Staff Mack McLarty has referred to "non-governmental persons who render regular services to the Administration" that work in the White House. Please define a "non-governmental person" and provide a breakdown of how many there are, or have been since the Administration has taken office. How many of these "non-governmental persons" require security clearances, and how many have obtained them?

The term "nongovernmental persons," when used to refer to people with access to the White House, includes contractors and political advisors. A limited number of contractors have been

4/7 Per NGS

How many Blue WGS?

THE WHITE HOUSE
WASHINGTON

March 14, 1994

MEMORANDUM FOR ALL EXECUTIVE OFFICE OF THE PRESIDENT STAFF

FROM: MACK McLARTY *Mack McLarty*
CHIEF OF STAFF

SUBJECT: Completion of All Employment and Security Paperwork

All staff who have joined the payroll of an EOP agency prior to March 1, 1994, should have completed their employment and security related paperwork, including the SF 86 -- Questionnaire for Sensitive Positions.

Any staff who have not completed the required paperwork have until this Friday, March 18, 1994, to complete and return all paperwork to the appropriate security or personnel office; White House staff should return their paperwork to the White House Office of Personnel Security, OEOB Room 84.

All staff who joined the EOP payroll between March 1 and March 14, 1994, have until March 31, 1994 to complete and return the required forms.

Effective immediately, all new staff have 30 days from their effective appointment date to complete all necessary paperwork.

No excuses from any level of personnel will be accepted; personnel who fail to comply will be separated from payroll on unpaid leave status.

TALKING POINTS

I. SECURITY RELATED AMENDMENTS:

A. General Points

- o Title III gives the President broad discretion to hire, dismiss and otherwise compile a staff to meet his needs. The proposed amendments would intrude on this broad discretion in an unprecedented and unnecessary fashion.
- o While the White House has acknowledged that there have been some operational inefficiencies in the pass-^{any & all steps necessary} issuance process, it has taken ~~enormous strides~~ to correct the problem. In light of this progress, it is premature and inappropriate to take the unprecedented step of legislating in this area.
- o This amendment has the potential for harming career ^{Civil Service} employees who have no control over the length of time it takes for the FBI to complete background checks and for the process, in general, to be completed. For example, an employee may have lived in multiple sites, ^{both domestic & abroad} thereby requiring a lengthy period of time to complete the background investigation. In general, it is unfair to penalize employees for factors outside of their control.
- o The amendment permits no exceptions other than pursuant to the personal intervention of the President. It is an inappropriate demand on the President's time to micromanage the process in this way.

B. Response to Specific Provisions

- a. Prohibiting the use of appropriated funds to pay the salary of anyone who did not fill out a SF 86 within 30 days of beginning employment.

The White ^House has acknowledged that during the first year of the Administration a number of employees failed to submit their SF 86 forms in a timely manner. That problem, ^{however,} has been corrected, thus rendering the proposed legislation superfluous. A directive from the Chief of Staff now mandates submission of all security related paperwork within 30 days of an employee's arrival at the White House. (Failure to comply subjects the employee to being placed on leave-without-pay status.) We are pleased to report that 100% of all EOP employees are in compliance with the directive. The fact that the proposed legislation would not add anything to existing

procedures does not make it harmless. Any legislation in the security area would impinge on what has always been understood to be a uniquely presidential prerogative.

b. Prohibiting the use of appropriated funds to pay the salary of employees who fail to submit financial disclosure forms.

Current law already sets out a rigorous deadline for submitting financial disclosure forms, including (1) provisions for extensions and (2) a monetary penalty for non-compliance. See 5 CFR Part 2634. As a result of these clear, government-wide provisions, White House employees, with only limited exceptions, have submitted their forms in a timely manner. Thus, there is no practical reason for treating EOP employees differently from those in the rest of government. Indeed, it would be unfair to do so, especially for career employees.

c. Prohibiting the use of appropriated funds for individuals who have not had a full field background check.

The proposed legislation ^{be cause} is unworkable ~~for a host of reasons.~~ Most significantly, the FBI's background investigation often takes several months. Thus, as a practical matter, the amendment would operate to prevent the President from bringing new staff on board as he needs them. (The problem would be especially acute during a transition.) A limitation of this nature is not only unprecedented but would be of questionable constitutionality.

II. PROHIBITING THE USE OF APPROPRIATED FUNDS FOR "PARTISAN POLITICAL ACTIVITY."

The Hatch Act, as recently amended, already addresses the issue of partisan political activity by federal employees. The decision to exempt the White House Office reflects a significant substantive judgment as well as an acknowledgment of just how difficult it would be to legislate in this area. Much of what the White House does every day is, in some sense, political. Legislation that attempted to draw a "bright line" would not only be hard to administer in any meaningful way, but, as well, would raise serious separation of power concerns. At the same time, the White House is well aware that funds are authorized only for "official" purposes and strictly adheres to that legislative command. See Title 3 105(d)(2). The existing statutory framework provides a far more effective vehicle for addressing this general concern than the proposed language, which inevitably would result in disagreements about what was (or was not) considered "partisan political activity."

The proposed report language expresses particular concern about the use of appropriated funds for purely political travel. It should be noted that his Administration follows the same basic guidelines as have been in place since, at least, the Reagan Administration. In addition, existing legislation and regulations already address this issue:

- Title 3 105 (d)(2) authorizes funds for the "official" expenses of the White House Office.
- Public Law 95-370 requires that travel expenses incurred while accompanying the President and the Vice President be certified on an annual basis.
- Federal Election Commission regulations (11 CFR Ch.1 9034.7) provide guidance on how political expenses are to be allocated.

Expenditures under these provisions have been the subject of numerous GAO audits, all of which found that the expenditures were proper.

Applying these existing guidelines and standards, the White House already rigorously examines and enforces the distinction between official and political travel. (Contrary to the suggestion in the proposed report language, the President's February trip to Chicago clearly had an official purpose.) Further legislation is unnecessary.

III. PROHIBITING THE USE OF APPROPRIATED FUNDS TO PROVIDE LEGAL COUNSEL FOR PRIVATE LEGAL OR FINANCIAL MATTERS.

Existing guidelines already prohibit the use of appropriated funds for legal counsel in the absence of an "official nexus." That standard reflects the more general mandate of Title 3 105(d)(2), which authorizes funds for the "official" expenses of the White House Office. Contrary to the press accounts quoted in the proposed report, the White House rigorously enforces these existing standards. Further legislation is unnecessary.

IV. PROHIBITING THE USE OF APPROPRIATED FUNDS TO ISSUE PERMANENT OR TEMPORARY PASSES TO POLITICAL CONSULTANTS WHO HAVE NOT (1) COMPLETED A FULL FIELD BACKGROUND CHECK AND (2) FILED FINANCIAL DISCLOSURE FORMS.

Political consultants who are on the White House Complex often enough to warrant a permanent pass already are subject to a full field background investigation. It would not be appropriate to require temporary pass holders to have completed a background check. As with regular employees, a temporary pass is issued during the pendency of the background investigation.

There is no basis under existing law to require non-employees to submit financial disclosure forms. Indeed, there is some question that the First Amendment would even permit such a requirement. Under current procedures, however, White House Counsel's Office does provide counselling on ethical matters and the appropriate limit of an individual's role as a political advisor.

TALKING POINTS

I. SECURITY RELATED AMENDMENTS:

A. General Points

- o Title III^{of the U.S. Code} gives the President broad discretion to hire, dismiss and otherwise compile a staff to meet his needs. The proposed amendments would intrude on this broad discretion in an unprecedented and unnecessary fashion.
- o While the White House has acknowledged that there have been some operational inefficiencies in the pass-issuance process, it has taken enormous strides to correct the problem. In light of this progress, it is premature and inappropriate to take the unprecedented step of legislating in this area.
- o This amendment has the potential for harming career employees who have no control over the length of time it takes for the FBI to complete background checks and for the process, in general, to be completed. For example, an employee may have lived in multiple sites, thereby requiring a lengthy period of time to complete the background investigation. In general, it is unfair to penalize employees for factors outside of their control.
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The White House^H has acknowledged that during the first year of the Administration a number of employees failed to submit their SF 86 forms in a timely manner. That problem, however, has been corrected, thus rendering the proposed legislation superfluous. A directive from the Chief of Staff now mandates submission of all security related paperwork within 30 days of an employee's arrival at the White House. (Failure to comply subjects the employee to being placed on leave-without-pay status.) We are pleased to report that 100% of all EOP employees are in compliance with the directive. The fact that the proposed legislation would not add anything to existing

procedures does not make it harmless. Any legislation in the security area would impinge on what has always been understood to be a uniquely presidential prerogative.

2.
ii. ~~B.~~ Prohibiting the use of appropriated funds to pay the salary of employees who fail to submit financial disclosure forms.

Current law already sets out a rigorous deadline for submitting financial disclosure forms, including (1) provisions for extensions and (2) a monetary penalty for non-compliance. See 5 CFR Part 2634. As a result of these clear, government-wide provisions, White House employees, with only limited exceptions, have submitted their forms in a timely manner. Thus, there is no practical reason for treating EOP employees differently from those in the rest of government. Indeed, it would be unfair to do so, especially for career employees.

3.
iii. ~~C.~~ Prohibiting the use of appropriated funds for individuals who have not had a full field background check.

The proposed legislation is unworkable for a host of reasons. Most significantly, the FBI's background investigation often takes several months. Thus, as a practical matter, the amendment would operate to prevent the President from bringing new staff on board as he needs them. (The problem would be especially acute during a transition.) A limitation of this nature is not only unprecedented but would be of questionable constitutionality.

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The Hatch Act, as recently amended, already addresses the issue of partisan political activity by federal employees. The decision to exempt the White House Office reflects a significant substantive judgment as well as an acknowledgment of just how difficult it would be to legislate in this area. Much of what the White House does every day is, in some sense, political. Legislation that attempted to draw a "bright line" would not only be hard to administer in any meaningful way, but, as well, would raise serious separation of power concerns. At the same time, the White House is well aware that funds are authorized only for "official" purposes and strictly adheres to that legislative command. See Title 3 105(d)(2). The existing statutory framework provides a far more effective vehicle for addressing this general concern than the proposed language, which inevitably would result in disagreements about what was (or was not) considered "partisan political activity."

The proposed report language expresses particular concern about the use of appropriated funds for purely political travel. It should be noted that his Administration follows the same basic guidelines as have been in place since, at least, the Reagan Administration. In addition, existing legislation and regulations already address this issue:

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May __, 1994

Dear Senator _____:

This is a response to your letter of March 22, 1994, requesting information about White House passes and other matters. Below please find answers to the specific questions you have raised.

1. Have any temporary passes been issued to personnel even though their Background Investigations have already been completed?

Yes. Before White House personnel may obtain permanent passes, they must satisfy numerous criteria including the satisfactory completion of the background investigation as well as a suitability review. This suitability review goes beyond that required for a security clearance and includes, among other areas, a review of an employee's tax records, financial holdings, and memberships in social organizations. Portions of a suitability review may not have been completed at the time the background investigation has been favorably adjudicated. Thus, it is quite possible that personnel may hold temporary passes even though their FBI background investigations are complete.

2. Are personnel holding temporary passes receiving classified briefings, being allowed access to classified information, including the National Intelligence Daily (NID)?

Yes, but only under certain conditions. In the White House, as in the rest of government, disclosure of classified information is provided strictly on a "need to know" basis. This principle is explicitly reaffirmed in the White House Staff Manual which states that, "Classified information may only be disclosed to persons who hold security clearances for the particular level of classification and have a need to know the information." In some instances, White House personnel holding temporary passes who have been cleared for national security purposes have been allowed access to classified briefings or classified information. As discussed above, a staff member may hold a temporary pass even though a background investigation has been adjudicated favorably, because other determinations have not

TALKING POINTS

I. SECURITY RELATED AMENDMENTS:

a. Prohibiting the use of appropriated funds to pay the salary of anyone who did not fill out a SF 86 within 30 days of beginning employment.

The White house has acknowledged that during the first year of the Administration a number of employees failed to submit their SF 86 forms in a timely manner. That concern, however, has been completely corrected, thus rendering the proposed legislation superfluous. A directive from the Chief of Staff now mandates submission of all security related paperwork within 30 days of an employee's arrival at the White House. (Any failure to comply would result in being placed on leave-without-pay status.) We are pleased to report that 100% of all EOP employees are in compliance with the directive. The fact that the proposed legislation would not add anything to existing procedures does not make it harmless. Any legislation in the security area would impinge on what has always been understood to be a uniquely presidential prerogative.

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Current law already sets out a rigorous deadline for submitting financial disclosure forms, including (1) provisions for extensions and (2) a monetary penalty for non-compliance. See 5 CFR Part 2634. As a result of these clear, government-wide provisions, White House employees have, with only limited exceptions, submitted their forms in a timely manner. Thus, there is no practical reason for treating EOP employees differently from those in the rest of government. Indeed, it would be unfair to do so, especially for career employees.

c. Prohibiting employment of any individual whose adjudicated FBI background investigation has not been forwarded to the Secret Service within six months.

The White House has acknowledged that in first year of the Administration operational inefficiencies delayed the completion of the pass process for a number of employees. At the present time, however, there is not a single employee in the entire EOP whose adjudicated background investigation has not been sent to the Secret Service within six months of his or her arrival. In light of this record, the proposed legislation would be an unnecessary and unprecedented intrusion into an area traditionally committed to the President's unique discretion. In

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addition, this provision could be quite unfair in application. The White House cannot control the activities of the FBI, and some background investigations simply take a long time (e.g., individuals who have lived overseas for extensive periods of time.)

d. Prohibiting the use of appropriated funds for individuals who have not had a full field background check.

The proposed legislation is unworkable for a host of reasons. Most significantly, the FBI's background investigation often takes several months. Thus, as a practical matter, the amendment would operate to prevent the President from bringing new staff on board as he needs them. (The problem would be especially acute during a transition.) A limitation of this nature is not only unprecedented but would be of questionable constitutionality.

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V. PROHIBITING THE USE OF APPROPRIATED FUNDS TO ISSUE PERMANENT OR TEMPORARY PASSES TO POLITICAL CONSULTANTS WHO HAVE NOT (1) COMPLETED A FULL FIELD BACKGROUND CHECK AND (2) FILED FINANCIAL DISCLOSURE FORMS.

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DRAFT RESPONSES TO
HOUSE QFR'S REGARDING SECURITY

April 22, 1994

ISTOOK

1. Please describe the policy that governs the use of "Contract Employee Passes." Provide for the Subcommittee a list of how many of these passes the Administration has issued, for how long, in general, they are valid, and how many are currently in use.

Contractors are granted temporary or permanent passes for the appropriate area of the White House complex solely on an "as needed" basis. In order to be granted a permanent pass, such individuals must: (1) complete the SF 86 and other security-related paperwork, (2) undergo a full-field FBI background check, and (3) be favorably adjudicated for access on the basis of that check. At present, there are approximately 200 contractors who have a permanent pass. The great majority of them require access to perform duties under various contracts relating to the operation and maintenance of the Complex (e.g., the telephone system).

or Temporary

2. The White House has announced that Messrs. Begala, Carville, Greenberg and Ms. Grunwald will be undergoing the same security background check as White House staff members. Will this procedure include the same financial and conflict-of-interest disclosure required of high-ranking federal officials? When do you expect these background checks to be complete?

Messrs. Begala, Carville, and Greenberg and Ms. Grunwald are currently undergoing full-field FBI background checks, all of which should be completed in 90 to 120 days. Because they are not employees, they are not subject to "financial and conflict of interest" disclosure obligations. All four have been counseled by White House Counsel's Office on ethics matters and the appropriate limit of their roles as political advisors.

WOLF

3. Please provide the following:

a. The date of your appointment to the White House;

March 1, 1993.

b. The date you signed your SF-86, Questionnaire for Sensitive Positions;

September 3, 1993

c. The date your SF-86 was given to the FBI,

As a general rule, it is inappropriate to release any information concerning the contents or timing of any individual's background investigation. In my own case, however, I am prepared to disclose that my SF-86 was given to the FBI on September 10, 1993.

d. The date your background investigation was given to the White House Counsel's office.

As a general rule, it is inappropriate to release any information concerning the contents or timing of any individual's background investigation. In my own case, however, I am prepared to disclose that the FBI forwarded my background investigation to White House Counsel's Office on November 3, 1993.

e. The date you received your permanent White House Pass.

March 5, 1994.

f. Could you explain the delay in getting your pass?

The initial delay was attributable to the time frame in which I submitted the requisite paperwork. Beyond that, I have no information concerning the particulars of my background investigation. Other than my initial interview, however, at no point did the FBI or anyone from White House Counsel's Office contact me concerning the investigation. I thus assume that the balance of the delay can be traced to operational inefficiencies within Counsel's Office.

- Did you provide the FBI with information on your former employment with Lasater and Company?

The FBI was fully informed of my entire employment history since graduation from college -- including the names of three companies owned by or otherwise associated with Mr. Lasater. I also identified Mr. Lasater as my supervisor at each such place of employment.

In the process of your background check was there any discrepancy between the information you provided to the FBI and the information they obtained? If so, were these brought to your attention or to the attention of the White House Counsel's office?

I am not aware of any such discrepancy.

- Did Mr. Nussbaum become involved with issuing your pass?

While the White House Personnel Security Office reports to White House Counsel's Office, I have no reason to believe that Mr. Nussbaum was personally involved in any way in the process that led to the issuance of my pass.

- In your biography that you provided for the committee, you failed to include your employment with Lasater and Company, could you explain why? Please provide a chronological listing of your past employment from college forward.

The biography provided to the committee fully discloses that I served as President and Vice President of the Phoenix Group, Inc. Lasater and Co. was one of many subsidiaries held by the Phoenix Group, Inc. My employment history since graduation from college is as follows:

6/69 to 8/72: Office of Wilbur Mills, MC
9/71 to 5/72: University of Missouri
9/72 to 4/75: Office of Wilbur Mills, MC
4/75 to 12/78: Doctors Hospital
12/78 to 5/83: Southern Management Assn.

5/83 to 11/83: Collins, Locke & Lasater, Inc.
11/83 to 1/87: LFI Corporation
1/87 to 8/92: The Phoenix Group, Inc.
8/92 to 3/93: The Democratic Party of Arkansas
3/93 to ____: The White House

For the record, let me note that Collins, Locke & Lasater, LFI Corp. and the Phoenix Group, Inc. were all owned by or otherwise associated with Mr. Lasater. In addition, the above reflects my best recollection of the precise dates on which my employer changed from Collins, Locke and Lasater, Inc. to LFI and from LFI to the Phoenix Group., Inc. I will supplement the record to the extent more precise information becomes available.

4. Please provide answers for questions (1) a-f above for Mr. McLarty and Mr. William Kennedy who have overseen the process in obtaining White House passes. I understand that Mr. McLarty only received his pass in the past several weeks and Mr. Kennedy received his pass several months ago. This means that both individuals in charge of these important matters did not have their own permanent passes for almost a year or more. Why was there such a delay even for the people who were in charge of these matters?

As a general rule, it is inappropriate to disclose any information concerning the substance or timing of an individual's background investigation. In the particular case of Messrs. McLarty and Kennedy, however, it is already a matter of public record that they were appointed on January 20, 1993 and February 10, 1993, respectively, and that they received a favorable background adjudication, which entitled them to access to top secret information, on January 22, 1993 and March 5, 1993 respectively. Since it is also a matter of public record, Mr. McLarty was approved for his permanent pass on March 1, 1994 and Mr. Kennedy was approved for his permanent pass on November 22, 1993. As reflected by the promptness with which each received a favorable background adjudication, the delay was occasioned solely by operational inefficiencies, which have since been corrected. In addition, it should be noted that the Chief of Staff's Office does not have day-to-day operational involvement in the process that leads to the issuance of White House passes.

5. On February 24, Mr. McLarty wrote in a letter to me that these matters were being handled "both in a timely manner and in accordance with the procedures of previous Administrations." At the time that Mr. McLarty wrote this letter he either had only recently received his own pass or may not have even have received his own pass. What was the basis for his claim that these matters were being handled in a "timely manner?" Did Mr. McLarty not know that up to 1/3 of senior staff did not have their permanent passes? When did Mr. McLarty become aware of this matter?

The Chief of Staff's response was based solely on information he had received from White House Counsel's Office. Upon learning earlier this year that a substantial number of senior staff were still awaiting permanent passes, the Chief of Staff (1) issued a directive mandating accelerated submission of security-related paperwork and (2) directed Counsel's office to review its procedures with the objective of expediting the process.

6. Please provide answers to the same question in (1)a-f above for the 125 senior staff, one third of whom did not have their permanent passes as of mid-March.

Over 80% of senior staff members who have been at the White House more than 60 days have received a permanent pass. Most of the remainder are expected to receive permanent passes shortly, and all are in compliance with the Chief of Staff's directive that all employees must submit the requisite paperwork within 30 days of their employment. For the most part, the delays were occasioned by the limited availability of resources in Counsel's Office, which compromised its ability to move the process more efficiently. That problem has since been corrected. In addition, there were some individuals whose background investigation raised issues that required further clarification and inquiry, a process that necessarily takes some time. All such issues that are still pending are expected to be resolved shortly. It should be noted that no individual has received even a temporary pass over the objection of the Secret Service. Providing other information called for by the question would require disclosure of information concerning specific individuals and, therefore, would be inappropriate.

7. Could you please describe your duties in the following areas:

- **Computers at the White House**

The Information Management Division (IMD) of the Office of Administration is responsible for the maintenance and operation of computers on the White House Complex. The Deputy Assistant Director of IMD ultimately reports to me in my capacity as Director of the Office of Administration.

- **Personnel matters**

The Personnel Management Division (PMD) of the Office of Administration ultimately reports to me. PMD has a general responsibility for most personnel matters in the Executive Office of the President, such as overseeing performance reviews, maintaining appropriate records, and handling benefits questions.

- **Office security and document security (including safes, safe combinations or locked file cabinet access or control)**

Within PMD is a small security office headed by Chuck Easley, a career employee. Mr. Easley is responsible for security issues within many components of the EOP, including OA, OMB and USTR. In addition, he is responsible for safes found in the White House Complex (with the exception of those in the NSC).

- **Phone system and phone records**

Both in my capacity as Director of OA and as Special Assistant to the President for Management and Administration, I have managerial responsibility over many aspects of the EOP telecommunications system. However, I do not have free access to the more sensitive elements of the system.

8. You have told my staff that you did not get your security briefings until January of this year and that you did not have a need for access to secured documents. Given your control over computers, phones, safes, etc. didn't you have direct access to many secure documents prior to your receiving your security briefings?

While my official security briefing was not given until January, I had received comprehensive instructions on appropriate security procedures many months previously. In any event, I do not have "access" to secure documents in the sense the question implies. The fact that I have managerial responsibilities over these areas does not suggest that I have free access to the data or documents maintained in them. For example, even to enter the data center requires a special access code, which I do not have. Similarly, I have never asked for, nor have I been given, the combination to any safe in the White House Complex. Although the security officer responsible for safes ultimately reports to me, under no circumstances would he grant me access to a safe unless he had independently determined that doing so was both legal and appropriate.

9. Who provided Harry Thomason with his pass and access to the White House? What was Harry Thomason's role during his tenure at the White House? What kind of space was he provided with and where was it located? Why did Mr. McLarty call Mr. Thomason before the release of the Travel Office review to discuss the review with him? What matters were discussed?

Mr. Thomason's pass was provided to him by the White House Office of Personnel Security. Mr. Thomason had been asked to consult on the staging of presidential events. He was provided temporary use of an office on the second floor of the East Wing of the White House. The Chief of Staff called Mr. Thomason the day before the Management Review was released to notify Mr. Thomason of its release. The Chief of Staff told Mr. Thomason that the report was objectively critical of Mr. Thomason's involvement. The Chief of Staff provided similar notice to others who had been involved in the travel office matter.

10. As of January 20, 1994, how many White House Office employees had temporary passes? Of these, how many were employed for more than 120 days at the time?

As of January 20, 1994, 156 White House Office employees who had been employed for more than 120 days had a temporary pass.

11. Since the start of the Administration, how many White House employees held temporary passes for more than 120 days? How many of these were senior staff? (E.g., Special Assistant to the President, or the equivalent, and above). Please provide a list of the senior White House staff holding temporary passes as of January 20, 1994 and provide the date they were first employed in the White House. Please provide the date on which senior staff obtained their permanent passes.

At the beginning of the Administration, the entire process for obtaining a permanent pass typically took more than 120 days. Thus, while precise figures on this question are not compiled, most White House staff held temporary passes for 120 days or more. Since January 1994, however, the average period of time from date of employment to issuance of a permanent pass is expected to be approximately four months. The identities of individual pass holders are not appropriate for disclosure.

12. For calendar year 1993, what was the average time between:

A. an employee's appointment date and the date the employee's completed SF-86 was submitted to the FBI;

In 1993, the average period of time between an employee's appointment date and submission of his or her SF-86 was 90 days. Under current procedures, all employees must complete their SF-86 within 30 days. The form is submitted to the FBI within a matter of days after it is completed.

B. the submission of the SF-86 to the FBI and the completion of the FBI background investigation;

Approximately 60-90 days.

C. the completion of the FBI background investigation and the date the Secret Service was authorized to issue a permanent pass?

Seven months. Now that the initial backlog has been resolved and additional resources have been committed, White House Counsel's Office forwards its recommendation to the Secret Service on a significantly accelerated basis, typically within a matter of weeks.

13. How many non-federal employees currently hold White House passes? Are these persons required to submit SF-86's and undergo FBI background investigations? Do any of these persons have office space assigned to them in the White House or New or Old Executive Office Buildings? please provide a list of all such persons and provide a reason why they hold a White House pass.

Excluding members of the press, volunteers and interns, approximately 200 non-federal employees currently have a White House pass. In general, they fall into two categories: (1) a small number of political advisors and (2) contractors who require access to perform duties under various contracts related to the operation and maintenance of the Complex. (Providing a list of all such passholders and the precise reason each requires access would not be appropriate.) Under current procedures, all such individuals are required to submit an SF 86 and to undergo a full field FBI background check. While most of these individuals do not have office space in the White House Complex, a small number do. (None, however, are political advisors.) For example, several AT&T employees have office space on the OEOB to enable them to better perform their duties with respect to the White House telecommunications system.

14. Is it possible for an individual to be granted a security clearance without completing an FBI background investigation? If so, please explain what kind of security clearance process is being done and who are the parties who are handling security clearances,

There are various levels of classified information. Clearance for access to compartmented information requires approval by the CIA. White House Counsel's Office on occasion approves access to lesser-levels of classified information prior to final issuance of a permanent pass. In general, individuals who have not yet been issued a permanent pass but who do have a favorably adjudicated background investigation are entitled to review such information on a need to know basis. In rare instances, Counsel's Office also may grant interim access to individuals whose background investigation is still pending. In assessing the appropriateness of granting such access, Counsel's Office may rely on the background investigation conducted during the course of prior federal employment, review of the completed SF-86, and other relevant information available to it.

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67

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19 Temp
18 Temp

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15. Please describe the process followed from the time an employee's FBI background is completed to the time he or she is issued a permanent pass. Include the identity of the individuals who are responsible for reviewing background investigations and determining whether an employee should be issued a White House pass?

In general, the information provided by the FBI is reviewed by White House Counsel's Office and the White House Personnel Security Office (WHPS). On the basis of that review -- and its review of other potentially relevant information concerning the individual's background -- Counsel's office (1) determines whether it is appropriate (or inappropriate) to recommend issuance of a permanent pass and (2) forwards that recommendation to the Secret Service. The recommendation that a permanent pass be issued can be accepted or rejected by the Secret Service. While White House Counsel staff conduct the day-to-day operation of the security office, Mr. Cutler is ultimately responsible for the process.

16. Please describe the procedure that is used to prevent unauthorized persons (employees and other individuals who do not hold a permanent pass and security clearance) from accessing classified information that may be present in a variety of offices within the White House and other buildings of the EOP complex. Please describe the procedure followed to ensure that these persons are not permitted to attend meetings where classified information is discussed.

A number of procedures and policies guard against the unauthorized disclosure of classified information. Most significantly, it is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." This fundamental principle is explained in detail in the security briefing all White House employees are required to attend. In addition, all White House staff are advised that disclosure of classified information to unauthorized persons may result in criminal prosecution and that, when in doubt, they should contact the White House Personnel Security Office to verify the level of any given individual's security clearance.

17. Has the Secret Service been asked to issue any passes in any individual cases even though they have not been permitted to review the FBI background investigative file? Have there been occasions when only a partial file has been forwarded to the Secret Service rather than the full file? If so, why was this done and what was the outcome?

The Secret Service has never been asked to issue a pass without being provided the individual's FBI background investigation report. (The only exception is for positions requiring Senate confirmation; in such instances the Senate has already had an opportunity to review the file.) Counsel's Office does forward a partial file to the Secret Service in one limited circumstance: when, in the course of its investigation, the FBI discovers a matter of such concern that it warrants immediate attention. In such instances, the FBI informs Counsel's Office of the concern and the partial file is forwarded immediately to the Secret Service for its consideration. On all such occasions, Counsel's office has followed the Secret Service's determination as to whether to restrict the individual's access to the Complex.

18. Ms. Thomasson has explained that Mack McLarty's background file was "adjudicated" on January 22, 1993 and that Bill Kennedy's file was "adjudicated" in March of 1993. Why was there then a lengthy delay in forwarding these files to Secret Service? What was done with the files in the time in between? Who "adjudicated" their files? How did they receive their security clearance?

Mr. McLarty's file was adjudicated by the White House Personnel Security Office and verified by Mr. Kennedy after his arrival. Mr. Kennedy's file was adjudicated by the Director of White House Personnel Security. Both individuals received their security clearances on the basis of their favorably adjudicated background investigations. Between the time of their favorable adjudications and the date their files were forwarded to the Secret Service, the files remained in White House Counsel's Office. The delay was attributable solely to an operational inefficiency in Counsel's Office that has since been corrected.

HOYER

19. What is the current process by which employees of the Executive Office receive both temporary and permanent passes to the White House?

In general, the procedures are as follows:

- Applicants participate in a security interview and provide preliminary background information.
- Every applicant's name and date of birth are forwarded to the FBI and checked on the National Crime Indicator Center (NCIC) computer in order to identify any prior criminal history.
- The Office of Administration's Personnel Management division arranges to have the applicant tested for illegal drug use.
- The new employee has 30 days from the "effective date of hire" to complete the necessary forms for a full background check. If the employee does not complete the forms in 30 days, he or she will be placed on leave without pay status.
- Upon receipt of the forms, a security officer reviews them for completeness and then forwards them to the FBI and other relevant authorities.
- At that point, the employee is eligible for a temporary hard pass. To obtain the pass, the employee must be fingerprinted. The prints are forwarded immediately to the FBI for another computer check. If any problems are identified, the appropriate security officer is notified.
- Within approximately 90 days of receiving the forms, the FBI submits the results of its background check. The Security Office, in consultation with White House Counsel's Office, then reviews the complete file and addresses any concerns that may have been identified.
- Counsel's Office forwards its recommendation, together with the FBI file, to the Secret Service, which then determines whether or not to issue a permanent pass.

20. What is the current policy regarding the issuance of passes to people who are not Federal Employees?

Absent exceptional circumstances (to be determined by the Chief of Staff's Office in consultation with White House Counsel's Office), White House permanent passes are issued only to employees of the Federal government, with the sole exception of (i) family members of the First Family and (ii) individuals employed or retained by the DNC whose duties require regular consultation with the President and his staff. (The term "employee" includes regular employees of the EOP, Cabinet Members and their staff, detailees, special government employees, interns, full time volunteers and volunteers approved by the Volunteer Office to provide full time administrative assistance.) In addition, passes are issued to some contractors (such as AT&T employees) who have an identified need for regular access to the Complex. Finally, members of the press are issued passes pursuant to procedures different from those set out above.

21. What is the current process by which these people who are not federal employees receive passes to the White House?

Contractors and other non-federal employees are granted permanent passes for the appropriate area of the White House complex solely on an "as needed" basis. In order to be granted a pass, such individuals (with the exception of members of the First Family) must: (1) complete the SF 86 and other security-related paperwork, (2) undergo a full-field FBI background check, and (3) be favorably adjudicated for access on the basis of that check. Separate procedures govern issuance of passes to members of the press and volunteers.

22. How many executive office employees hired prior to January 1 of this year who should have access to the White House compound do not have permanent passes?

One hundred thirteen White House employees who joined the staff prior to January 1, 1994 do not yet have a permanent pass. All are expected to have a permanent pass in the near future.

23. Why haven't White House employees been required to complete the paperwork on a timely basis to obtain permanent passes?

Most employees did submit the required paperwork on a timely basis. To correct any deficiencies in that regard, the Chief of Staff issued a directive on March 14, 1993 providing as follows: (1) Staff who joined the payroll before March 1, 1994 were required to submit their paperwork by March 18, 1994; (2) all

staff who joined the EOP between March 1 and March 14, 1994 were required to submit their paperwork by March 31; and (3) all new staff were required to submit their paperwork within 30 days of their appointment date. Failure to comply with these deadlines will result in being placed on leave without pay status.

24. What action are you taking to insure that the necessary paper work is completed on a timely basis and what consequences will the employee face if they fail to comply?

On March 14, 1994, the Chief of Staff issued a memorandum directing all staff to complete their security related paperwork as follows: (1) Staff who joined the payroll before March 1, 1994 were required to submit their paperwork by March 18, 1994; (2) all staff who joined the EOP between March 1 and March 14, 1994 were required to submit their paperwork by March 31; and (3) all new staff were required to submit their paperwork within 30 days of their appointment date. Failure to comply with these deadlines will result in being placed on leave without pay status.

WOLFE

INSERT: Provide a statement concerning White House Counsel's Office ability to override the decision of the Secret Service not to issue a pass.

During this Administration, White House Counsel's Office has never overridden the decision of the Secret Service not to issue a pass.

QUESTION: The July 2 White House Management Review conducted by the Chief of Staff and the OMB Director stated:

"When private persons are granted regular access to the White House to undertake White House assignments, without analysis of their employment status or possible conflicts of interest and without explanation to them of their ethical responsibilities, problems may arise."

What management and administrative changes have been made to prevent these problems?

A new policy on White House Access was adopted on September 16, 1993. That policy is as follows: Absent exceptional circumstances (to be determined by the Chief of Staff's Office in Consultation with White House Counsel's Office), White House permanent passes are issued only to employees of the Federal government, with the sole exception of (i) family members of the First Family and (ii) individuals employed or retained by the DNC whose duties require regular consultation with the President and his staff. The term "employee" includes regular employees of the EOP, Cabinet Members and their staff, detailees, special government employees, interns, full time volunteers and volunteers approved by the Volunteer Office to provide full time administrative assistance.

Q: The White House Travel Office Management Report stated that non-government employees who work at the White House have to be approved by a senior individual at the White House. Who has sponsored or signed off on Mr. Carville, Begala, etc.?

Under current policy, special individualized approval is not required for individuals employed or retained by the DNC whose duties require regular consultation with the President or his staff. Both Mr. Begala and Mr. Carville fall into that category.

Wants to find out RP / L Tripp
How long have they work
at WIT.

OK

5/13/2002

TALKING POINTS

I. SECURITY RELATED AMENDMENTS:

A. General Points

- o Title III gives the President broad discretion to hire, dismiss and otherwise compile a staff to meet his needs. The proposed amendments would intrude on this broad discretion in an unprecedented and unnecessary fashion.
- o While the White House has acknowledged that there have been some operational inefficiencies in the pass-issuance process, it has taken enormous strides to correct the problem. In light of this progress, it is premature and inappropriate to take the unprecedented step of legislating in this area.
- o This amendment has the potential for harming career employees who have no control over the length of time it takes for the FBI to complete background checks and for the process, in general, to be completed. For example, an employee may have lived in multiple sites, thereby requiring a lengthy period of time to complete the background investigation. In general, it is unfair to penalize employees for factors outside of their control.
- o The amendment permits no exceptions other than pursuant to the personal intervention of the President. It is an inappropriate demand on the President's time to micromanage the process in this way.

B. Response to Specific Provisions

- a. Prohibiting the use of appropriated funds to pay the salary of anyone who did not fill out a SF 86 within 30 days of beginning employment.**

The White house has acknowledged that during the first year of the Administration a number of employees failed to submit their SF 86 forms in a timely manner. That problem, however, has been corrected, thus rendering the proposed legislation superfluous. A directive from the Chief of Staff now mandates submission of all security related paperwork within 30 days of an employee's arrival at the White House. (Failure to comply subjects the employee to being placed on leave-without-pay status.) We are pleased to report that 100% of all EOP employees are in compliance with the directive. The fact that the proposed legislation would not add anything to existing

procedures does not make it harmless. Any legislation in the security area would impinge on what has always been understood to be a uniquely presidential prerogative.

b. Prohibiting the use of appropriated funds to pay the salary of employees who fail to submit financial disclosure forms.

Current law already sets out a rigorous deadline for submitting financial disclosure forms, including (1) provisions for extensions and (2) a monetary penalty for non-compliance. See 5 CFR Part 2634. As a result of these clear, government-wide provisions, White House employees, with only limited exceptions, have submitted their forms in a timely manner. Thus, there is no practical reason for treating EOP employees differently from those in the rest of government. Indeed, it would be unfair to do so, especially for career employees.

c. Prohibiting the use of appropriated funds for individuals who have not had a full field background check.

The proposed legislation is unworkable for a host of reasons. Most significantly, the FBI's background investigation often takes several months. Thus, as a practical matter, the amendment would operate to prevent the President from bringing new staff on board as he needs them. (The problem would be especially acute during a transition.) A limitation of this nature is not only unprecedented but would be of questionable constitutionality.

II. PROHIBITING THE USE OF APPROPRIATED FUNDS FOR "PARTISAN POLITICAL ACTIVITY."

The Hatch Act, as recently amended, already addresses the issue of partisan political activity by federal employees. The decision to exempt the White House Office reflects a significant substantive judgment as well as an acknowledgment of just how difficult it would be to legislate in this area. Much of what the White House does every day is, in some sense, political. Legislation that attempted to draw a "bright line" would not only be hard to administer in any meaningful way, but, as well, would raise serious separation of power concerns. At the same time, the White House is well aware that funds are authorized only for "official" purposes and strictly adheres to that legislative command. See Title 3 105(d)(2). The existing statutory framework provides a far more effective vehicle for addressing this general concern than the proposed language, which inevitably would result in disagreements about what was (or was not) considered "partisan political activity."

The proposed report language expresses particular concern about the use of appropriated funds for purely political travel. It should be noted that his Administration follows the same basic guidelines as have been in place since, at least, the Reagan Administration. In addition, existing legislation and regulations already address this issue:

- Title 3 105 (d)(2) authorizes funds for the "official" expenses of the White House Office.
- Public Law 95-370 requires that travel expenses incurred while accompanying the President and the Vice President be certified on an annual basis.
- Federal Election Commission regulations (11 CFR Ch.1 9034.7) provide guidance on how political expenses are to be allocated.

Expenditures under these provisions have been the subject of numerous GAO audits, all of which found that the expenditures were proper.

Applying these existing guidelines and standards, the White House already rigorously examines and enforces the distinction between official and political travel. (Contrary to the suggestion in the proposed report language, the President's February trip to Chicago clearly had an official purpose.) Further legislation is unnecessary.

III. PROHIBITING THE USE OF APPROPRIATED FUNDS TO PROVIDE LEGAL COUNSEL FOR PRIVATE LEGAL OR FINANCIAL MATTERS.

Existing guidelines already prohibit the use of appropriated funds for legal counsel in the absence of an "official nexus." That standard reflects the more general mandate of Title 3 105(d)(2), which authorizes funds for the "official" expenses of the White House Office. Contrary to the press accounts quoted in the proposed report, the White House rigorously enforces these existing standards. Further legislation is unnecessary.

IV. PROHIBITING THE USE OF APPROPRIATED FUNDS TO ISSUE PERMANENT OR TEMPORARY PASSES TO POLITICAL CONSULTANTS WHO HAVE NOT (1) COMPLETED A FULL FIELD BACKGROUND CHECK AND (2) FILED FINANCIAL DISCLOSURE FORMS.

Political consultants who are on the White House Complex often enough to warrant a permanent pass already are subject to a full field background investigation. It would not be appropriate to require temporary pass holders to have completed a background check. As with regular employees, a temporary pass is issued during the pendency of the background investigation.

DeCONCINI

1. **What type of security or ethics training is given to White House employees? Is this done when they are in a temporary position or permanent position?**

Every employee in the Executive Office of the President, whether permanent or temporary, is required to receive annual ethics training. Additionally, individuals who are detailed to the White House from other agencies are encouraged to attend the White House ethics training sessions.

The ethics briefings are one hour in length and cover the conflict of interest statutes, the Executive Branch standards of conduct regulations, and White House policies. Employees are given the opportunity to ask questions and are provided with written materials, including the names and telephone numbers of White House ethics officials.

In accordance with a regulatory requirement, the White House has an ethics training plan on file with the Office of Government Ethics.

Prior to the issuance of a permanent pass, all EOP employees (and detailees) are briefed on security procedures and the appropriate handling of classified information. Under current procedures, all EOP employees receive the briefing within 60 days of their start date. The same principles are reiterated in written materials distributed to all White House staff. Every individual who is cleared for access to compartmented information receives an additional one-on-one security briefing.

2. **Is the NSC at all involved in overseeing the protection of classified documents at the White House?**

The NSC staff does not "oversee" any aspect of the White House, including practices and procedures for the protection of classified information. Pursuant to its responsibility to advise and assist the President in the area of national security, NSC staff are subject to, and observe, those rules pertaining to the safeguarding of national security information applicable to all government employees, including special restrictions on the handling of compartmented information. All NSC employees with permanent or temporary White House passes hold a TOP SECRET clearance with SCI access.

3. With reference to the number of background investigations not yet completed on White House, Vice Presidential and Office of Policy Development employees, can you tell us:

(a) How many have been fully investigated by the FBI?

As of April 26, 1994, there were 68 employees of the White House Office, Office of the Vice President and Office of Policy Development whose FBI background investigations have been completed but who have not yet received their permanent passes.

(b) How many are at the White House pending transfer to the Secret Service for permanent past requests? How long have they been there.

As of April 26, 1994, there were 36 employees of the White House Office, Office of Vice President and Office of Policy Development whose FBI background investigation is complete, but whose file has not yet been forwarded to the Secret Service.

(c) How many background investigations have not yet been initiated due to the paperwork not being complete?

As of April 26, 1994, 29 employees of the WHO, OVP and OPD had not submitted the paperwork necessary to initiate the FBI background investigation. All such individuals began work within the previous 30 days and are, therefore, in compliance with the Chief of Staff's directive that all security related paperwork be completed within 30 days of employment.

(d) How many are not yet back from the FBI?

As of April 26, 1994, there were 77 employees of the WHO, OVP and OPD whose FBI investigations have been initiated by the FBI, but are not yet complete.

(e) How many backgrounds have been requested by the White House which been at the FBI for longer than 45 days?

As of April 26, 1994, there were 23 individuals employed by the White House Office whose background investigation has been pending at the FBI for more than 45 days. There are three such individuals employed by the OPD and none employed by OVP.

(f) What is the status of these investigations?

These investigations are pending.

- (g) Could you tell the Committee where this Administration is vis-a-vis the background investigations on its employees versus the previous Administrations?

The White House does not maintain records that would permit a precise comparison. It is our understanding that, at present, the time frame for issuing permanent passes (including completion of background investigations) is comparable to that of previous administrations.

- (h) What is your plan to eliminate the backlog of employees who have temporary passes?

As the result of a comprehensive review undertaken by White House Counsel's Office, the backlog has been substantially reduced. At present, 339 WHO, OVP, and OPD employees (or detailees) have received a permanent pass. Of those still holding a temporary pass, a substantial number began work since January 1, 1994. If such new arrivals are factored out, over 76% of all such employees and detailees have their permanent pass.

As these figures reflect, the current procedures have addressed certain operational inefficiencies, which had contributed to a backlog. Employees now receive a permanent pass, on average, within 120 days of their start date. While precise data are not available, issuing passes in that time frame compares favorably with the record of past administrations.

4. With reference to access to top-secret security information, it is my understanding that at the White House, once a favorable full-field background investigation has been completed by the FBI, that an individual has access to up to top-secret information on a "need-to-know" basis, which is determined by the White House Chief of Staff.

- (a) Ms. Thomasson, can you tell us how the Chief of Staff makes a determination as to whether or not an individual has a "need-to-know" for access to classified information?

This determination is not made by the Chief of Staff. It is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." All White House employees are advised that, when in doubt, they should contact the White House Personnel Security Office to verify the level of any given individual's security clearance.

- (b) Which intelligence community agency, if any, reviews these full-field backgrounds prior to any individual being given access to classified information?

White House employees with Top Secret security clearances are eligible for SCI access. This access is only provided where an employee has a specific need to know the relevant compartmented information and the CIA (on behalf of the DCI) has considered the employee's background investigation and approved such access. In the case of government employees detailed to the White House (including the NSC), SCI access may already have been approved by the detailing agency, which certifies such clearance to the White House or NSC before that employee is given SCI access at the White House.

5. It seems to me that many people within the White House may have access to classified documents and briefings, which go well beyond the "top secret" classification.

- (a) Do any individuals at the White House have security clearances which exceed top secret? Can you identify those individuals for me?

Some White House employees hold Top Secret clearances with access to Sensitive Compartmented Information (SCI). It would not be appropriate to identify such individuals.

- (b) What process ensures that others who do not possess security clearances do not have access to classified information above the top secret level?

A number of procedures and policies guard against the unauthorized disclosure of classified information. Most significantly, it is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." That fundamental principle is explained in detail in the security briefing all White House staff are required to attend and reiterated in written materials distributed to the entire staff. (Individuals with clearance to review compartmented information are given an additional one-on-one briefing on security precautions.) In addition, all White House employees are advised that disclosure of classified information to unauthorized persons may result in criminal prosecution and that, when in doubt about a potential recipient of classified information, they should contact the White House Personnel Security Office to verify the level of his or her security clearance.

- (c) Do any individuals, who are not employed by the White House have access to classified information?

Some individuals detailed from other federal agencies (e.g. the Department of Defense) have access to classified information on a need to know basis. (All such individuals have an appropriate security clearance.) In addition, a limited number of contractors have been granted security clearances. All such individuals have (1) been the subject of a full field FBI background check and (2) received a security briefing.

- (d) What system of controls do you have in place at the White House that ensures that sensitive classified information is secure?

Please see response to Subpart (b) above.

D'AMATO

6. How many detailees are in positions that would require security clearances? How many detailees have security clearances? Do any members of the First Lady's staff require security clearances?

A number of detailees come to the White House with a security clearance. Even if they already have a clearance, however, detailees who are at the White House for more than 90 days are subject to a full field FBI background investigation. Detailees are covered by the same rules governing access to classified information as are other employees. Members of the First Lady's staff, like other White House employees, are authorized to have access to Top Secret information on a "need to know basis" only upon favorable adjudication of their background investigations. While such situations do arise, members of the First Lady's staff do not routinely have a "need" for access to classified information.

7. Chief of Staff Mack McLarty has referred to "non-governmental persons who render regular services to the Administration" that work in the White House. Please define a "non-governmental person" and provide a breakdown of how many there are, or have been since the Administration has taken office. How many of these "non-governmental persons" require security clearances, and how many have obtained them?

The term "nongovernmental persons," when used to refer to people with access to the White House, includes contractors and political advisors. A limited number of contractors have been

granted security clearances after satisfactory adjudication of their background investigations. Political advisors with regular access to the White House undergo full field background investigations, but no political advisor presently has access to classified information.

INSERT: SENATOR DECONCINI

What is the average number of individuals in the "pipeline" for security clearances?

Under present procedures, it takes, on average, 120 days from an employee's start date to the day he or she is issued a permanent pass. The number of individuals in the "pipeline" depends on the number of new hires and detailees during the period in question. As a working estimate, the White House Personnel Security Office projects that, at any given time, approximately 15% of all EOP employees will be in the pipeline.

DRAFT RESPONSES TO
HOUSE QFR'S REGARDING SECURITY

April 22, 1994

ISTOOK

1. Please describe the policy that governs the use of "Contract Employee Passes." Provide for the Subcommittee a list of how many of these passes the Administration has issued, for how long, in general, they are valid, and how many are currently in use.

Contractors are granted temporary or permanent passes for the appropriate area of the White House complex solely on an "as needed" basis. In order to be granted a permanent pass, such individuals must: (1) complete the SF 86 and other security-related paperwork, (2) undergo a full-field FBI background check, and (3) be favorably adjudicated for access on the basis of that check. At present, there are approximately 200 contractors who have a permanent pass. The great majority of them require access to perform duties under various contracts relating to the operation and maintenance of the Complex (e.g., the telephone system).

Or Temporary

2. The White House has announced that Messrs. Begala, Carville, Greenberg and Ms. Grunwald will be undergoing the same security background check as White House staff members. Will this procedure include the same financial and conflict-of-interest disclosure required of high-ranking federal officials? When do you expect these background checks to be complete?

Messrs. Begala, Carville, and Greenberg and Ms. Grunwald are currently undergoing full-field FBI background checks, all of which should be completed in 90 to 120 days. Because they are not employees, they are not subject to "financial and conflict of interest" disclosure obligations. All four have been counseled by White House Counsel's Office on ethics matters and the appropriate limit of their roles as political advisors.

OLF

3. Please provide the following:

a. The date of your appointment to the White House;

March 1, 1993.

b. The date you signed your SF-86, Questionnaire for Sensitive Positions;

September 3, 1993

c. The date your SF-86 was given to the FBI,

As a general rule, it is inappropriate to release any information concerning the contents or timing of any individual's background investigation. In my own case, however, I am prepared to disclose that my SF-86 was given to the FBI on September 10, 1993.

d. The date your background investigation was given to the White House Counsel's office.

As a general rule, it is inappropriate to release any information concerning the contents or timing of any individual's background investigation. In my own case, however, I am prepared to disclose that the FBI forwarded my background investigation to White House Counsel's Office on November 3, 1993.

e. The date you received your permanent White House Pass.

March 5, 1994.

f. Could you explain the delay in getting your pass?

The initial delay was attributable to the time frame in which I submitted the requisite paperwork. Beyond that, I have no information concerning the particulars of my background investigation. Other than my initial interview, however, at no point did the FBI or anyone from White House Counsel's Office contact me concerning the investigation. I thus assume that the balance of the delay can be traced to operational inefficiencies within Counsel's Office.

Did you provide the FBI with information on your former employment with Lasater and Company?

The FBI was fully informed of my entire employment history since graduation from college -- including the names of three companies owned by or otherwise associated with Mr. Lasater. I also identified Mr. Lasater as my supervisor at each such place of employment.

In the process of your background check was there any discrepancy between the information you provided to the FBI and the information they obtained? If so, were these brought to your attention or to the attention of the White House Counsel's office?

I am not aware of any such discrepancy.

- Did Mr. Nussbaum become involved with issuing your pass?

While the White House Personnel Security Office reports to White House Counsel's Office, I have no reason to believe that Mr. Nussbaum was personally involved in any way in the process that led to the issuance of my pass.

- In your biography that you provided for the committee, you failed to include your employment with Lasater and Company, could you explain why? Please provide a chronological listing of your past employment from college forward.

The biography provided to the committee fully discloses that I served as President and Vice President of the Phoenix Group, Inc. Lasater and Co. was one of many subsidiaries held by the Phoenix Group, Inc. My employment history since graduation from college is as follows:

6/69 to 8/72: Office of Wilbur Mills, MC

9/71 to 5/72: University of Missouri

9/72 to 4/75: Office of Wilbur Mills, MC

4/75 to 12/78: Doctors Hospital

12/78 to 5/83: Southern Management Assn.

5/83 to 11/83: Collins, Locke & Lasater, Inc.
11/83 to 1/87: LFI Corporation
1/87 to 8/92: The Phoenix Group, Inc.
8/92 to 3/93: The Democratic Party of Arkansas
3/93 to ____: The White House

For the record, let me note that Collins, Locke & Lasater, LFI Corp. and the Phoenix Group, Inc. were all owned by or otherwise associated with Mr. Lasater. In addition, the above reflects my best recollection of the precise dates on which my employer changed from Collins, Locke and Lasater, Inc. to LFI and from LFI to the Phoenix Group., Inc. I will supplement the record to the extent more precise information becomes available.

4. Please provide answers for questions (1) a-f above for Mr. McLarty and Mr. William Kennedy who have overseen the process in obtaining White House passes. I understand that Mr. McLarty only received his pass in the past several weeks and Mr. Kennedy received his pass several months ago. This means that both individuals in charge of these important matters did not have their own permanent passes for almost a year or more. Why was there such a delay even for the people who were in charge of these matters?

As a general rule, it is inappropriate to disclose any information concerning the substance or timing of an individual's background investigation. In the particular case of Messrs. McLarty and Kennedy, however, it is already a matter of public record that they were appointed on January 20, 1993 and February 10, 1993, respectively, and that they received a favorable background adjudication, which entitled them to access to top secret information, on January 22, 1993 and March 5, 1993 respectively. Since it is also a matter of public record, Mr. McLarty was approved for his permanent pass on March 1, 1994 and Mr. Kennedy was approved for his permanent pass on November 22, 1993. As reflected by the promptness with which each received a favorable background adjudication, the delay was occasioned solely by operational inefficiencies, which have since been corrected. In addition, it should be noted that the Chief of Staff's Office does not have day-to-day operational involvement in the process that leads to the issuance of White House passes.

5. On February 24, Mr. McLarty wrote in a letter to me that these matters were being handled "both in a timely manner and in accordance with the procedures of previous Administrations." At the time that Mr. McLarty wrote this letter he either had only recently received his own pass or may not have even have received his own pass. What was the basis for his claim that these matters were being handled in a "timely manner?" Did Mr. McLarty not know that up to 1/3 of senior staff did not have their permanent passes? When did Mr. McLarty become aware of this matter?

The Chief of Staff's response was based solely on information he had received from White House Counsel's Office. Upon learning earlier this year that a substantial number of senior staff were still awaiting permanent passes, the Chief of Staff (1) issued a directive mandating accelerated submission of security-related paperwork and (2) directed Counsel's office to review its procedures with the objective of expediting the process.

6. Please provide answers to the same question in (1)a-f above for the 125 senior staff, one third of whom did not have their permanent passes as of mid-March.

Over 80% of senior staff members who have been at the White House more than 60 days have received a permanent pass. Most of the remainder are expected to receive permanent passes shortly, and all are in compliance with the Chief of Staff's directive that all employees must submit the requisite paperwork within 30 days of their employment. For the most part, the delays were occasioned by the limited availability of resources in Counsel's Office, which compromised its ability to move the process more efficiently. That problem has since been corrected. In addition, there were some individuals whose background investigation raised issues that required further clarification and inquiry, a process that necessarily takes some time. All such issues that are still pending are expected to be resolved shortly. It should be noted that no individual has received even a temporary pass over the objection of the Secret Service. Providing other information called for by the question would require disclosure of information concerning specific individuals and, therefore, would be inappropriate.

7. Could you please describe your duties in the following areas:

- Computers at the White House

The Information Management Division (IMD) of the Office of Administration is responsible for the maintenance and operation of computers on the White House Complex. The Deputy Assistant Director of IMD ultimately reports to me in my capacity as Director of the Office of Administration.

- Personnel matters

The Personnel Management Division (PMD) of the Office of Administration ultimately reports to me. PMD has a general responsibility for most personnel matters in the Executive Office of the President, such as overseeing performance reviews, maintaining appropriate records, and handling benefits questions.

- Office security and document security (including safes, safe combinations or locked file cabinet access or control)

Within PMD is a small security office headed by Chuck Easley, a career employee. Mr. Easley is responsible for security issues within many components of the EOP, including OA, OMB and USTR. In addition, he is responsible for safes found in the White House Complex (with the exception of those in the NSC).

- Phone system and phone records

Both in my capacity as Director of OA and as Special Assistant to the President for Management and Administration, I have managerial responsibility over many aspects of the EOP telecommunications system. However, I do not have free access to the more sensitive elements of the system.

8. You have told my staff that you did not get your security briefings until January of this year and that you did not have a need for access to secured documents. Given your control over computers, phones, safes, etc. didn't you have direct access to many secure documents prior to your receiving your security briefings?

While my official security briefing was not given until January, I had received comprehensive instructions on appropriate security procedures many months previously. In any event, I do not have "access" to secure documents in the sense the question implies. The fact that I have managerial responsibilities over these areas does not suggest that I have free access to the data or documents maintained in them. For example, even to enter the data center requires a special access code, which I do not have. Similarly, I have never asked for, nor have I been given, the combination to any safe in the White House Complex. Although the security officer responsible for safes ultimately reports to me, under no circumstances would he grant me access to a safe unless he had independently determined that doing so was both legal and appropriate.

9. Who provided Harry Thomason with his pass and access to the White House? What was Harry Thomason's role during his tenure at the White House? What kind of space was he provided with and where was it located? Why did Mr. McLarty call Mr. Thomason before the release of the Travel Office review to discuss the review with him? What matters were discussed?

Mr. Thomason's pass was provided to him by the White House Office of Personnel Security. Mr. Thomason had been asked to consult on the staging of presidential events. He was provided temporary use of an office on the second floor of the East Wing of the White House. The Chief of Staff called Mr. Thomason the day before the Management Review was released to notify Mr. Thomason of its release. The Chief of Staff told Mr. Thomason that the report was objectively critical of Mr. Thomason's involvement. The Chief of Staff provided similar notice to others who had been involved in the travel office matter.

10. As of January 20, 1994, how many White House Office employees had temporary passes? Of these, how many were employed for more than 120 days at the time?

As of January 20, 1994, 156 White House Office employees who had been employed for more than 120 days had a temporary pass.

11. Since the start of the Administration, how many White House employees held temporary passes for more than 120 days? How many of these were senior staff? (E.g., Special Assistant to the President, or the equivalent, and above). Please provide a list of the senior White House staff holding temporary passes as of January 20, 1994 and provide the date they were first employed in the White House. Please provide the date on which senior staff obtained their permanent passes.

At the beginning of the Administration, the entire process for obtaining a permanent pass typically took more than 120 days. Thus, while precise figures on this question are not compiled, most White House staff held temporary passes for 120 days or more. Since January 1994, however, the average period of time from date of employment to issuance of a permanent pass is expected to be approximately four months. The identities of individual pass holders are not appropriate for disclosure.

12. For calendar year 1993, what was the average time between:

A. an employee's appointment date and the date the employee's completed SF-86 was submitted to the FBI;

In 1993, the average period of time between an employee's appointment date and submission of his or her SF-86 was 90 days. Under current procedures, all employees must complete their SF-86 within 30 days. The form is submitted to the FBI within a matter of days after it is completed.

B. the submission of the SF-86 to the FBI and the completion of the FBI background investigation;

Approximately 60-90 days.

C. the completion of the FBI background investigation and the date the Secret Service was authorized to issue a permanent pass?

Seven months. Now that the initial backlog has been resolved and additional resources have been committed, White House Counsel's Office forwards its recommendation to the Secret Service on a significantly accelerated basis, typically within a matter of weeks.

13. How many non-federal employees currently hold White House passes? Are these persons required to submit SF-86's and undergo FBI background investigations? Do any of these persons have office space assigned to them in the White House or New or Old Executive Office Buildings? please provide a list of all such persons and provide a reason why they hold a White House pass.

Excluding members of the press, volunteers and interns, approximately 200 non-federal employees currently have a White House pass. In general, they fall into two categories: (1) a small number of political advisors and (2) contractors who require access to perform duties under various contracts related to the operation and maintenance of the Complex. (Providing a list of all such passholders and the precise reason each requires access would not be appropriate.) Under current procedures, all such individuals are required to submit an SF 86 and to undergo a full field FBI background check. While most of these individuals do not have office space in the White House Complex, a small number do. (None, however, are political advisors.) For example, several AT&T employees have office space on the OEOB to enable them to better perform their duties with respect to the White House telecommunications system.

14. Is it possible for an individual to be granted a security clearance without completing an FBI background investigation? If so, please explain what kind of security clearance process is being done and who are the parties who are handling security clearances,

There are various levels of classified information. Clearance for access to compartmented information requires approval by the CIA. White House Counsel's Office on occasion approves access to lesser-levels of classified information prior to final issuance of a permanent pass. In general, individuals who have not yet been issued a permanent pass but who do have a favorably adjudicated background investigation are entitled to review such information on a need to know basis. In rare instances, Counsel's Office also may grant interim access to individuals whose background investigation is still pending. In assessing the appropriateness of granting such access, Counsel's Office may rely on the background investigation conducted during the course of prior federal employment, review of the completed SF-86, and other relevant information available to it.

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67

127
19 Temp
18 Temp

166

15. Please describe the process followed from the time an employee's FBI background is completed to the time he or she is issued a permanent pass. Include the identity of the individuals who are responsible for reviewing background investigations and determining whether an employee should be issued a White House pass?

In general, the information provided by the FBI is reviewed by White House Counsel's Office and the White House Personnel Security Office (WHPS). On the basis of that review -- and its review of other potentially relevant information concerning the individual's background -- Counsel's office (1) determines whether it is appropriate (or inappropriate) to recommend issuance of a permanent pass and (2) forwards that recommendation to the Secret Service. The recommendation that a permanent pass be issued can be accepted or rejected by the Secret Service. While White House Counsel staff conduct the day-to-day operation of the security office, Mr. Cutler is ultimately responsible for the process.

16. Please describe the procedure that is used to prevent unauthorized persons (employees and other individuals who do not hold a permanent pass and security clearance) from accessing classified information that may be present in a variety of offices within the White House and other buildings of the EOP complex. Please describe the procedure followed to ensure that these persons are not permitted to attend meetings where classified information is discussed.

A number of procedures and policies guard against the unauthorized disclosure of classified information. Most significantly, it is the responsibility of the person who wishes to share classified information with another individual to ascertain whether he or she (1) has the appropriate security clearance and (2) truly has a "need to know." This fundamental principle is explained in detail in the security briefing all White House employees are required to attend. In addition, all White House staff are advised that disclosure of classified information to unauthorized persons may result in criminal prosecution and that, when in doubt, they should contact the White House Personnel Security Office to verify the level of any given individual's security clearance.

17. Has the Secret Service been asked to issue any passes in any individual cases even though they have not been permitted to review the FBI background investigative file? Have there been occasions when only a partial file has been forwarded to the Secret Service rather than the full file? If so, why was this done and what was the outcome?

The Secret Service has never been asked to issue a pass without being provided the individual's FBI background investigation report. (The only exception is for positions requiring Senate confirmation; in such instances the Senate has already had an opportunity to review the file.) Counsel's Office does forward a partial file to the Secret Service in one limited circumstance: when, in the course of its investigation, the FBI discovers a matter of such concern that it warrants immediate attention. In such instances, the FBI informs Counsel's Office of the concern and the partial file is forwarded immediately to the Secret Service for its consideration. On all such occasions, Counsel's office has followed the Secret Service's determination as to whether to restrict the individual's access to the Complex.

18. Ms. Thomasson has explained that Mack McLarty's background file was "adjudicated" on January 22, 1993 and that Bill Kennedy's file was "adjudicated" in March of 1993. Why was there then a lengthy delay in forwarding these files to Secret Service? What was done with the files in the time in between? Who "adjudicated" their files? How did they receive their security clearance?

Mr. McLarty's file was adjudicated by the White House Personnel Security Office and verified by Mr. Kennedy after his arrival. Mr. Kennedy's file was adjudicated by the Director of White House Personnel Security. Both individuals received their security clearances on the basis of their favorably adjudicated background investigations. Between the time of their favorable adjudications and the date their files were forwarded to the Secret Service, the files remained in White House Counsel's Office. The delay was attributable solely to an operational inefficiency in Counsel's Office that has since been corrected.

HOYER

19. What is the current process by which employees of the Executive Office receive both temporary and permanent passes to the White House?

In general, the procedures are as follows:

- Applicants participate in a security interview and provide preliminary background information.
- Every applicant's name and date of birth are forwarded to the FBI and checked on the National Crime Indicator Center (NCIC) computer in order to identify any prior criminal history.
- The Office of Administration's Personnel Management division arranges to have the applicant tested for illegal drug use.
- The new employee has 30 days from the "effective date of hire" to complete the necessary forms for a full background check. If the employee does not complete the forms in 30 days, he or she will be placed on leave without pay status.
- Upon receipt of the forms, a security officer reviews them for completeness and then forwards them to the FBI and other relevant authorities.
- At that point, the employee is eligible for a temporary hard pass. To obtain the pass, the employee must be fingerprinted. The prints are forwarded immediately to the FBI for another computer check. If any problems are identified, the appropriate security officer is notified.
- Within approximately 90 days of receiving the forms, the FBI submits the results of its background check. The Security Office, in consultation with White House Counsel's Office, then reviews the complete file and addresses any concerns that may have been identified.
- Counsel's Office forwards its recommendation, together with the FBI file, to the Secret Service, which then determines whether or not to issue a permanent pass.

20. What is the current policy regarding the issuance of passes to people who are not Federal Employees?

Absent exceptional circumstances (to be determined by the Chief of Staff's Office in consultation with White House Counsel's Office), White House permanent passes are issued only to employees of the Federal government, with the sole exception of (i) family members of the First Family and (ii) individuals employed or retained by the DNC whose duties require regular consultation with the President and his staff. (The term "employee" includes regular employees of the EOP, Cabinet Members and their staff, detailees, special government employees, interns, full time volunteers and volunteers approved by the Volunteer Office to provide full time administrative assistance.) In addition, passes are issued to some contractors (such as AT&T employees) who have an identified need for regular access to the Complex. Finally, members of the press are issued passes pursuant to procedures different from those set out above.

21. What is the current process by which these people who are not federal employees receive passes to the White House?

Contractors and other non-federal employees are granted permanent passes for the appropriate area of the White House complex solely on an "as needed" basis. In order to be granted a pass, such individuals (with the exception of members of the First Family) must: (1) complete the SF 86 and other security-related paperwork, (2) undergo a full-field FBI background check, and (3) be favorably adjudicated for access on the basis of that check. Separate procedures govern issuance of passes to members of the press and volunteers.

22. How many executive office employees hired prior to January 1 of this year who should have access to the White House compound do not have permanent passes?

One hundred thirteen White House employees who joined the staff prior to January 1, 1994 do not yet have a permanent pass. All are expected to have a permanent pass in the near future.

23. Why haven't White House employees been required to complete the paperwork on a timely basis to obtain permanent passes?

Most employees did submit the required paperwork on a timely basis. To correct any deficiencies in that regard, the Chief of Staff issued a directive on March 14, 1993 providing as follows: (1) Staff who joined the payroll before March 1, 1994 were required to submit their paperwork by March 18, 1994; (2) all

staff who joined the EOP between March 1 and March 14, 1994 were required to submit their paperwork by March 31; and (3) all new staff were required to submit their paperwork within 30 days of their appointment date. Failure to comply with these deadlines will result in being placed on leave without pay status.

24. What action are you taking to insure that the necessary paper work is completed on a timely basis and what consequences will the employee face if they fail to comply?

On March 14, 1994, the Chief of Staff issued a memorandum directing all staff to complete their security related paperwork as follows: (1) Staff who joined the payroll before March 1, 1994 were required to submit their paperwork by March 18, 1994; (2) all staff who joined the EOP between March 1 and March 14, 1994 were required to submit their paperwork by March 31; and (3) all new staff were required to submit their paperwork within 30 days of their appointment date. Failure to comply with these deadlines will result in being placed on leave without pay status.

WOLFE

INSERT: Provide a statement concerning White House Counsel's Office ability to override the decision of the Secret Service not to issue a pass.

During this Administration, White House Counsel's Office has never overridden the decision of the Secret Service not to issue a pass.

QUESTION: The July 2 White House Management Review conducted by the Chief of Staff and the OMB Director stated:

"When private persons are granted regular access to the White House to undertake White House assignments, without analysis of their employment status or possible conflicts of interest and without explanation to them of their ethical responsibilities, problems may arise."

What management and administrative changes have been made to prevent these problems?

A new policy on White House Access was adopted on September 16, 1993. That policy is as follows: Absent exceptional circumstances (to be determined by the Chief of Staff's Office in Consultation with White House Counsel's Office), White House permanent passes are issued only to employees of the Federal government, with the sole exception of (i) family members of the First Family and (ii) individuals employed or retained by the DNC whose duties require regular consultation with the President and his staff. The term "employee" includes regular employees of the EOP, Cabinet Members and their staff, detailees, special government employees, interns, full time volunteers and volunteers approved by the Volunteer Office to provide full time administrative assistance.

Q: The White House Travel Office Management Report stated that non-government employees who work at the White House have to be approved by a senior individual at the White House. Who has sponsored or signed off on Mr. Carville, Begala, etc.?

Under current policy, special individualized approval is not required for individuals employed or retained by the DNC whose duties require regular consultation with the President or his staff. Both Mr. Begala and Mr. Carville fall into that category.

March 25, 1994

The Honorable Dan Glickman
The Honorable Larry Combest
Members of Congress
U.S. House of Representatives
Washington D.C. 20515

Dear Sirs:

I have now had an opportunity to review your March 17 letter to Director Woolsey. Let me assure you that the President and the White House staff generally are well aware of the importance of adequate security procedures to protect against unauthorized disclosure of sensitive information. Let me further assure you that existing procedures are sufficient to guard against such disclosures.

The concerns set out in your letter appear to rest in substantial part on a misunderstanding of the facts. To begin with, before an employee is even allowed on the White House Complex, he or she has been the subject of -- and passed -- a preliminary background check, which includes an FBI computer search for criminal history. If, in the course of that check, the FBI ascertains that potentially relevant files from other government agencies are maintained on the individual, that information is forwarded to the White House security office for appropriate investigation and action.

Moreover, in the White House, as in the rest of Government, disclosure of classified information is strictly on a "need to know" basis. Thus, it is the responsibility of the person who wishes to share classified information with another individual to ascertain whether the individual in question has the appropriate security clearance. This fundamental principle is explicitly reaffirmed in the White House Staff Manual, which is distributed to all staff members. In addition, other procedures are in place to ensure that distribution of sensitive documents is limited to those who have both a legitimate need to know and an appropriate security clearance. For example, many classified materials arrive in the White House in sealed envelopes clearly marked for review only by a limited group of identified individuals. Similarly, Secret Service personnel within the White House complex monitor compliance with applicable security procedures.

Your letter also suggests that 15 senior staff members do not have the necessary clearance but still have access to classified materials. I have investigated the issue and can assure you that all senior staff who currently need to have access to classified information have a security clearance.

Your letter makes specific reference to two highly sensitive documents, the President's Daily Brief (PDB) and the National Intelligence Daily (NID). I am assured that the PDB is made available within the White House to a very small number of individuals, each of whom has the appropriate security clearances. As for the NID, the document is authorized for distribution within the White House only to named individuals whose security clearances have been confirmed in advance of distribution.

I trust these facts will be sufficient to allay the concerns identified in your letter. In closing, let me reiterate that the White House is fully cognizant of its responsibility to maintain appropriate security measures, and is doing so. To the extent you have any further concerns or questions, please do not hesitate to contact me.

Sincerely,

cc: Director Woolsey