

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: rwockner (rwockner@netcom.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:22-MAY-1998 19:17:00.00

SUBJECT: NC7002: Window group buys 3rd gay paper

TO: Richard Socarides (Richard Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart D. Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

Contact: William Waybourn

(202) 223-0554

Chris Crain

(404) 876-1819

Window Media Purchases Impact & Eclipse

Plans to Expand & Enhance New Orleans' Gay and Lesbian Newspaper;

Continues Window Media's Efforts to Boost Gay Media Businesses

NEW ORLEANS--Kyle Scafide and the principals of Window Media, LLC, announced today the pending sale of New Orleans' gay and lesbian newspaper, Impact, as well as its sister entertainment guide, Eclipse. The New Orleans publications will join the family of Window Media newspapers, Atlanta's Southern Voice and the Houston Voice. Impact and Eclipse will change ownership effective August 15, 1998.

Scafide, who has owned Impact since 1992, said he is very optimistic about the future of the New Orleans newspaper, one of the oldest in the U.S.

Scafide has worked to consistently improve the content and advertising in

the New Orleans publications and now looks forward to continued growth as part of Window Media. "This affiliation with Window Media will allow Impact to become part of, at an early stage, the premier gay and lesbian news organization in the country," said Scafide, who will remain with the publication after the change in ownership.

Window Media was established in 1997 as a nationwide enterprise devoted to grouping lesbian and gay newspapers and devoting resources to improve their content and grow their reach, as well as provide a forum for a diverse array of voices in each community the papers serve. Window Media was founded by gay rights advocate William Waybourn, and partners Chris Crain, Rick Ellsasser and Chad Johnson. Waybourn is President of Window Corp., a Washington DC-based public relations firm. He most recently served as Managing Director of the Gay & Lesbian Alliance Against Defamation, a media watchdog group, and was founding Executive Director of the Gay & Lesbian Victory Fund, a successful gay political action committee.

Crain and Ellsasser manage Window Media, LLC, and serve as co-publishers of the Atlanta and Houston papers and will be responsible for the New Orleans publication. Crain, who oversees editorial direction, is editor of Southern Voice and a Harvard Law School graduate formerly with the Atlanta firm of Alston & Bird, LLP.

Ellsasser, who manages administration and advertising, previously held day-to-day responsibility for GLAAD and the Victory Fund. He is also a partner in Window Corp. and formerly directed the firm's West Coast

efforts.

Johnson is also a Harvard Law graduate, an attorney in the Washington, D.C. office of Skadden, Arps, Slate, Meagher & Flom, LLP. He has served in leadership roles with the Victory Fund, GLAAD and the Servicemembers Legal Defense Network, which provides legal advice to servicemembers impacted by the military's "Don't Ask Don't Tell" policy.

"Editorial management of Impact and Eclipse will remain at the local level," Crain said. "We are fortunate to be coming to New Orleans at an exciting time. More and more lesbians and gay men are flocking to New Orleans to live and play, and their impact on the city's economy has been increasing over the years. It's a city with a vibrant gay community and a colorful and exciting political culture. Impact will continue to be a part of that tradition," he said.

Ellsasser said Window Media would immediately begin working toward taking the paper to a weekly schedule. "Everything we've seen and heard has pointed to the direction of giving New Orleans a publication each week that is a reliable and timely source of news and information relevant to our community. To do this, we will focus more on local news coverage and expanding our advertising base to include more businesses that want to reach the gay market," he said.

"This is a city that has embraced the needs of the lesbian and gay community, and one where the entire community has created a paradigm for better AIDS care. We want to be a participant in that process," said

Waybourn. "Too much news is happening in a city the size of New Orleans
not to produce a new paper each week," he said.

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+++++

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===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

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Received: (from rwockner@localhost)
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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Doug.Case (Doug.Case@sdsu.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:22-MAY-1998 21:50:00.00

SUBJECT: Gray Skies

TO: Richard Socarides (Richard.Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart.D.Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

FRONTIERS NEWSMAGAZINE

http://www.frontiersweb.com/sfcurrent/Pages/feat_3.html

GRAY SKIES

Davis Clouds Sunny Relationship With Stance on Gay Marriage

by Tracy Sybert

THIS IS NOT THE WAY IT WAS SUPPOSED TO HAPPEN for the man who, for the past several years, has happily borne the mantle of "California's governor in waiting."

Gray Davis, 55, may well pull out a victory over his opponents, airline tycoon Al Checchi and US Rep. Jane Harman, in the June 2 open primary for the Democratic nomination. The latest polls show him regaining his anticipated position as front-runner. But if he does win, it will be after a battle more intense than expected, with a victory margin smaller than desired. Aside from two strong opponents, part of the difficulty may lie in Davis' suddenly strained relationship with a key Democratic constituency--the gay and lesbian community.

Though he says he would veto any legislation banning same-gender marriages, Davis told reporters at the Democratic state convention in Los Angeles in March that he would not sign a bill legalizing such unions, if one happened to pass while he sat in the governor's chair. Both Checchi and Harman have said they would sign such a bill. The stance has angered many in the gay community, despite the fact that Davis, a veteran gay-rights supporter, has long drawn the line at expanding legal marriage rights. Even some of his supporters felt he unnecessarily stressed his opposition in remarks during the state convention.

Davis is a meticulous man. Meticulous to a fault, some critics say. There is no doubt that he has spent decades carefully laying the groundwork for his gubernatorial campaign. His political career began in the governor's mansion, and it's not difficult to picture him as a man of 33, already Gov. Jerry Brown's chief of staff, imagining himself culminating his own career in those heady surroundings. To that end, he has worked steadily, first as Brown's aide and later as an elected official, to build up a progressive record that would appeal to key Democratic constituencies. Reminding potential voters of just what he's accomplished, of the battles he has fought and won, has become a virtual mantra for Davis during his few carefully chosen appearances before predominantly gay audiences.

"Remember," he told Stonewall Democratic Club members recently, "twenty-five years counts for something."

Gray Davis, who was unavailable for comment on this article, moved to

California with his family at age 11. The oldest of five children, Davis' relationship with his father, an alcoholic who allegedly squandered much of the family's wealth, was strained. Young Gray spent many of his adolescent years at a series of rigidly run private schools. When his financial situation altered as a result of his parents' divorce, while Davis was attending Stanford University, he enrolled in the ROTC. He did it for the money, he says. There seemed to be no impending world conflicts at the time, but by 1967, when he received his degree from Columbia Law School and lost his student deferment, the Vietnam conflict had begun. Davis served nine months of his two-year Army stint there. The experience was his political awakening, and he has drawn upon it ever since, including during his later lobbying efforts against the Clinton administration's policy on gays in the military: Davis told LA Stonewall Club members April 27: "I sat down with [Vice President] Al Gore and said, 'You and I both served in Vietnam. We both know that gay soldiers served with us, and we were both proud that they were over there standing with us. I don't give a damn what someone's sexual orientation is. If they're on my side in my uniform, I'm happy they're there, and this 'Don't Ask, Don't Tell' is BS.'"

After his Vietnam tour in 1969, Davis worked as a private attorney for several years, then served as finance director for Los Angeles Councilmember Thomas Bradley's successful campaign to become that city's first black mayor in 1973. The next step in Davis' political career was his six-year stint as Gov. Brown's chief of staff, beginning in 1975. From 1982-1986, he represented Los Angeles in the state Assembly, moved on to become state controller in 1987 and has served as lieutenant governor since 1995. He is married to Sharon Ryer Davis and has no children. While it's

popular these days to dismiss "career politicians," Davis wears the label proudly.

"If you want to know where someone's going, just look to where they've been, and I've been with you for the last 20 years," he said at LA Stonewall's April 26 awards dinner. The following night, at the group's gubernatorial forum, he expounded upon the theme: "I do not come here with a basket full of promises about what I'm going to do. I come here with a record unmatched in this race."

If history is much of a guide, then the future under Gov. Davis would appear to be bright. He has repeatedly been at the forefront during pivotal moments in California's gay civil-rights struggle. Just a few highlights: In the early 1980s, as an assemblymember, Davis was an early supporter of AB 1, a gay civil-rights bill; in 1991, as state controller, Davis co-sponsored AB 101, legislation outlawing job discrimination based on sexual orientation, which was vetoed by Gov. Pete Wilson; as chair of the state's Franchise Tax Board, Davis spearheaded efforts to eliminate taxpayer subsidies for business expenses incurred at private clubs that discriminate on the basis of sexual orientation, gender, race, age, ancestry or national origin; as state controller, Davis worked to allow two women to put both their names on the birth certificate of their recently born child; and, earlier this year, as a regent of the University of California, Davis cast the deciding vote in a 13-12 decision approving the extension of domestic-partner benefits to UC's gay and lesbian employees.

But Americans are said to have little respect for history, and it's

same-sex marriage--currently the hottest issue for the gay community--that's on most people's minds these days. For many, this single issue is viewed as a litmus test.

Take David Mixner, a political consultant who worked on Bill Clinton's 1992 campaign and is a longtime associate of the lieutenant governor. Davis, in fact, related an amusing anecdote about Mixner during his speech at the Stonewall dinner. Davis recalled how during Gov. Brown's first term, he and another aide convinced their boss that the time was right to appoint an openly gay man to a high state post. The man was the late Rand Schrader, the first openly gay appointed judge in California. But some years later, telling the story at a Democratic gathering, Davis mistakenly substituted Mixner's name for Schrader's, publicly expressing regret for his death in the process. "I had to call him the next day and welcome him back to the land of the living," Davis said.

These days, Davis may regret that call. Mixner is spending the year as a consultant for the Checchi campaign. "I disagree with Mr. Davis' position on marriage and a few other things," Mixner icily told SF Frontiers recently.

If Davis had planned to keep the marriage issue on the back burner, Jane Harman's 11th-hour entry into the Democratic fray all but dashed those hopes. When Dianne Feinstein, after much procrastination, announced in March that she would not run for governor, it appeared to clear the way for the previously announced Davis (who lost an ugly 1992 primary battle for Feinstein's US Senate seat). But Feinstein's pass prompted Harman's go.

Despite three terms as a congressman, Harman was little known to most of California and much of the media when she announced her campaign for governor. But there was one intriguing item on her curriculum vitae that got prominent mention in nearly every one of the deluge of articles written about her: Harman was one of only a handful of US representatives to stand on the House floor, denounce the Defense of Marriage Act, and then vote against it.

Not that Davis couldn't match that drama; he wore the white hat himself in 1996, when he rode into the California state Assembly and cast the deciding vote to kill legislation that would have banned recognition of same-gender marriages performed in other states. At the time he said he opposed the bill, authored by Palmdale Republican Pete Knight, now a state Senator, because it was divisive and unnecessary. But as a gubernatorial candidate, the questions go further and the answers become more complicated.

Harman, meanwhile, with her progressive credentials, reassuring (to some) conservative tendencies and strong parallels to the popular Feinstein, initially surged in the polls, before falling back recently. Also troublesome to Davis is Al Checchi, the multimillionaire, political Johnny-come-lately, who announced his campaign way back in September and lagged early but is now running close to Davis in the latest polls. His opponents' wealth loomed as an even greater-than-usual challenge to Davis, despite his veteran fund-raising skills, because of limits on individual campaign donations approved by state voters in 1996. There are no limits on individual donations to one's own cause (Checchi has said he may spend up to \$30 million of his personal fortune; Harman will undoubtedly drop

several million dollars of her own) or a spouse's (Harman's husband, Harman Industries owner, Sydney, also has many millions to spare).

It sounds like another good reason to maintain smooth relations with the gay community, which by many estimations has proved second only to the Christian Coalition when it comes to grass-roots campaigning and fund-raising. So, again, why Davis' inflexibility on gay marriage? At the April 27 forum, Stonewall member Miki Jackson phrased her question more bluntly: "Is that conviction with you or a political strategy?"

Indeed, there is enough in Davis' words and record to suggest that attracting crossover-minded Republicans is fairly high on his agenda: He is the only Democratic candidate who says he won't push to repeal Proposition 209, the anti-affirmative action measure passed by voters in 1996; he supports the death penalty; he wants a constitutional ban on flag-burning; he maintains there's still a lot of fat to trim from welfare budgets; and he promotes red-tape slashing, pro-business measures. Davis himself can be pretty blunt about the need to take such right-leaning stances. "The vast majority of law-enforcement people are supporting me," he told Stonewall members. "That is enough of a moderate or conservative signal that people in the Central Valley will vote for me. [In previous campaigns,] I've carried it against three Republicans in a row."

And when Dan Lungren, whose record as a congressman and as state attorney general makes most gay activists cringe, is the presumptive Republican nominee for governor, the ability to win the big one overrides any one single issue, says Ron Gillis, a regional director of the

California Democratic Party.

"It's easy to tell people what they want to hear; it's another thing to go out there and walk the walk after you've talked the talk," Gillis says.

"Nobody has a better record. On labor. On gay issues. And as far as education goes, there's nobody that compares with Gray Davis. Gray Davis is the guy we have to have there."

Gray Davis was the only one of the three leading Democratic candidates who did not agree to a one-on-one interview with SF Frontiers, despite repeated assurances from campaign manager Gary South that a brief interview would be scheduled.

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22 May 1998 17:50:41 -0700 (PDT)

X-Sender: dcase@mail.sdsu.edu

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Doug.Case (Doug.Case@sdsu.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 7-JUN-1998 18:58:00.00

SUBJECT: Tony Blair pushes gay rights in Britain

TO: Richard Socarides (Richard.Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart.D.Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

U. S. News & World Report, June 15, 1998

Tony Blair pushes gay rights in Britain

He avoids Clinton's mistakes and a backlash

BY CHANDLER BURR

LONDON--The administration of Tony Blair, Britain's young prime minister,

contains the first openly gay and lesbian cabinet ministers in British history. Blair's team has pushed gay rights legislation in Parliament. It has

even overseen a striking change in policy at the secret services: Gerald Warner, the government's security coordinator, disclosed this year that the

foreign intelligence agency MI-6 "has sent [its] first homosexual couple abroad."

Blair's support of gay rights is in part simple political horse trading: His "New Labor" Party made campaign promises to gay voters, and now he is fulfilling them, albeit slowly. Another factor appears to be personal conviction. "Tony and [his wife] Cherie have many gay friends, and, very

much

like Bill and Hillary Clinton, they are of the generation that simply

believes

this is right," says Angela Mason, executive director of Stonewall,

Britain's

largest gay and lesbian lobbying group.

But it is unclear whether Blair is leading a national trend, or merely

following it. All of Britain's political parties are moving in the same

direction. William Hague, the new leader of a Conservative Party

desperately

seeking a more up-to-date image, has numerous gay friends and openly

supports

gay causes. So does Paddy Ashdown, head of Britain's third major party,

the

Liberal Democrats. "In a certain sense [Blair has] gotten on our

bandwagon,

not vice versa," says John Lyttle, a gay

columnist for the Independent newspaper.

Pledges. Before the May 1997 election turned out the Conservatives and

swept Labor to power, Jack Straw, now Blair's home secretary, promised in

a

speech to Stonewall that if Labor won the election, it would equalize the

age

of consensual sex for gays (now 18) and heterosexuals (16); reform

immigration

law to legalize foreign partners of gay Britons; repeal Margaret

Thatcher's

Section 28 education law which forbids the "promotion" of homosexuality;
and
pass legislation focusing on anti-gay hate crimes and discrimination.

At about the same time, Cherie Booth, Blair's wife and a respected employment discrimination lawyer, was representing Lisa Grant, a lesbian railroad worker who wanted the railroad to extend the same benefits to her domestic partner that it would to a spouse; this would be like attorney Hillary Rodham Clinton taking a major gay rights case to the Supreme Court.

Today one of Blair's top ministers--Chris Smith, secretary of state for culture, media, and sport--is openly gay. So are junior Minister of Environment Angela Eagle and Minister Without Portfolio Peter Mandelson, who ran Blair's campaign and is one of his closest advisers. The immigration change has been made--for the first time, gay partners of British subjects can immigrate on exactly the same basis as heterosexual married partners. And the equalization of the age of consent for heterosexual and homosexual relations is expected to pass this summer.

Opinion polls indicate that most Britons disapprove of homosexuality yet favor equal rights for gays and lesbians in employment and housing. In a survey last November, 57 percent said children should not be taught that gay relationships are "as valid as" straight ones. But the same poll found 64 percent support for gays in the military, 76 percent in favor of gay teachers,

and 71 percent support for equal inheritance, pension, and tenancy rights.

Similar attitudes prevail in the United States: According to a 1996 poll, 56 percent of Americans believe homosexual relations are "always wrong," yet 80 percent or more favor equal rights in housing and job opportunities for gays and lesbians.

But faced with a similar electorate, Blair has avoided the debacle that surrounded President Clinton's "don't ask, don't tell" policy on homosexuals in the military. Like Clinton, Blair has balked at the elimination of a ban on homosexuality in the military. The main test case is a lawsuit by Terry Perkins, a gay officer appealing dismissal from the Royal Navy. The suit is now before the European Court of Justice in Luxembourg, and Blair's lawyers are arguing against Perkins. Blair explains this position with the phrase "legislation, not litigation," meaning that he believes social change should come through the political process, not the courts.

With such legerdemain, Blair has held on to gay support without creating a backlash from the right. When his wife's client Lisa Grant was handed a defeat, Blair welcomed it and said that Grant should pursue her agenda through electoral politics. In fact, British gays and lesbians had already done

so--by

voting for him.

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07 Jun 1998 14:58:32 -0700 (PDT)

X-Sender: dcase@mail.sdsu.edu

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: rwockner (rwockner@netcom.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 9-JUN-1998 16:43:00.00

SUBJECT: NC7182: US News & World Report on Blair and gays

TO: Richard Socarides (Richard Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart D. Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

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US News & World Report

June 15, 1998

by Chandler Burr, Contributing Editor

&Tony Blair pushes gay rights in Britain 8

--He avoids Clinton's mistakes and a backlash--

BY CHANDLER BURR

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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: rwockner (rwockner@netcom.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:12-JUN-1998 13:51:00.00

SUBJECT: NC7212: Sailor, Navy Settle Gay Charge Suit

TO: Richard Socarides (Richard Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart D. Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

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WASHINGTON (AP) -- A highly decorated sailor who successfully fought his dismissal from the Navy after he was accused of being gay will retire under a settlement that includes full benefits and payment of \$90,000 in legal fees.

Timothy R. McVeigh, 36, who has spent 18 years in the Navy, said today he was ``happy to be leaving on my own terms" and looking forward to returning to civilian life just before Labor Day.

His lawyer, Christopher Wolf, said a separate settlement had been reached with America Online, the nation's largest online service, which will pay McVeigh damages for violating his privacy. Wolf did not disclose the amount.

McVeigh, a master chief petty officer, the Navy's highest enlisted, rank, said he hoped the case ``sends a message that the military needs to follow its own rules and regulations."

Wolf said McVeigh ``will be able to leave the Navy ... with full retirement benefits and with his head held high. The Navy also has agreed to pay Mr. McVeigh's attorney fees and costs" amounting to \$90,000.

Wolf described McVeigh as a hero who throughout his career ``consistently was recognized for his exemplary leadership skills"

C. Dickson Osburn, a director of the Servicemembers Legal Defense Network, who also represented McVeigh, said, ``This case should serve as a warning to the Department of Defense to clean up its act, follow the rules and stop invading people's privacy."

Government officials, speaking on condition of anonymity, confirmed that a tentative agreement would pay his legal fees but declined to provide details on grounds a final agreement had not been signed. The Justice Department had no comment on the case.

The Navy began investigating McVeigh last year after he was linked to an anonymous America Online site suggesting he was sexually interested in young men. Despite spotless performance reviews, he was ordered dismissed in December on charges he engaged in sodomy.

McVeigh, who has never publicly discussed his sexuality, sued to block the dismissal. A federal judge ruled that the Navy violated the 1986 Electronic Communications Privacy Act by obtaining confidential information from America Online without a warrant or court order.

U.S. District Judge Stanley Sporkin held the Navy wrongly enforced the Pentagon's ``don't ask, don't tell" policy on gays in the military. The policy allows dismissal of someone who discloses

he is gay, but the military cannot raise the issue without sufficient cause.

As a result of the court ruling, none of the negative accusations against McVeigh remain in his personnel file, the Navy said.

Wolf said Sporkin's decision and this case ``was the first to set limits on how far the military can go under the 'don't ask, don't tell' policy governing gays in the military.

``It also showed just how flawed that policy is, permitting the military to engage in a game of 'gotcha' with even its most outstanding service members."

Gay rights groups had criticized the Navy for having an investigator call America Online to obtain the full name of a ``Tim" who had posted personal information on the Web site.

Investigatory records, copies of which were obtained by The Associated Press, show the Navy investigator acknowledging he made the inquiry.

Because of the case, AOL will require its customer-service representatives to receive ``scenario training," AOL spokeswoman Tricia Primrose told The New York Times, which first reported the settlement. The training will outline ways in which employees can be ``misled" into giving confidential information to unauthorized callers.

Violating the company's privacy policy -- which Primrose said has recently been rewritten -- could result in being fired.

While his lawsuit progressed, McVeigh was reassigned to a clerical job ashore. A judge later ordered him reinstated to

nuclear submarine duty and last month he was promoted to master
chief petty officer.

McVeigh, who is from Jacksonville, Fla., and is stationed at
Pearl Harbor, said he had planned to remain in the Navy another six

years. ===== ATTACHMENT 1 =====
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RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: rwockner (rwockner@netcom.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:12-JUN-1998 21:37:00.00

SUBJECT: NC7218: Full New York Times report on McVeigh settlement

TO: Richard Socarides (Richard Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart D. Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

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NEW YORK TIMES, June 12, 1998

229 W. 43rd Street, New York,NY,10036

(Fax 212-556-3622)(E-MAIL: letters@nytimes.com)(http://www.nytimes.com)

Navy and America Online Settle Case on Gay Privacy

By PHILIP SHENON

WASHINGTON -- In a victory for gay rights, with implications for the millions of people who use computer online services, both the Navy and America Online have reached settlements with a highly decorated sailor who was investigated by the Navy after he posted a message in which he described himself as "gay."

Under the Navy agreement, the 36-year-old sailor, Master Chief Petty Officer Timothy R. McVeigh, will retire from the military with full

benefits and with tens of thousands of dollars to pay his legal fees.

The Navy had originally sought to discharge McVeigh without any benefits, despite 18 years of unblemished service, after he posted a note on the online service in which he identified himself as "Tim," whose marital status was "gay" and whose e-mail address was "Boysrch."

The Navy's settlement with McVeigh, who is no relation to the man convicted of bombing the Federal Building in Oklahoma City, is expected to be announced on Friday.

In a separate settlement, America Online, the nation's largest online computer service, with 12 million users, has apologized to McVeigh for violating his privacy and has agreed to pay him damages. The company acknowledged that it had confirmed to a Navy investigator that McVeigh was "Tim."

Under the settlement, both sides agreed not to reveal the amount of money paid to McVeigh by America Online. As a result of the case, the company has also announced new policies intended to guarantee the privacy of its users. The policies will require that all of the company's nearly 5,000 customer- service representatives be provided with special "scenario training" to insure that they do not give out private information about users without the user's consent or without a court order. The company has also rewritten its privacy policy to make it far clearer, and has made the new policy available on line to all users.

"I'm happy that this case has been resolved on my terms," McVeigh said in a telephone interview today from his home in Honolulu. "I think that all sailors can take comfort from this. I hope it sends a message that the rules and regulations that are in place need to be followed by the military."

The Navy said it would withhold comment on the settlement until the terms were made public.

McVeigh, who normally would not have been eligible for retirement for another two years, said he felt some sadness in leaving the Navy. "It's a job that I've been doing for 18 years, that I'm good at, that I like, but I'm ready to move on to bigger and better things," he said. "I think this opens a much broader opportunity for me."

McVeigh's lawyer, Christopher Wolf of Washington, said the settlement with the Navy was a very significant victory.

"It shows what we alleged at the outset, that McVeigh's electronic privacy rights and his rights under the military's 'don't ask, don't tell' policy were seriously violated by the Navy," Wolf said. "It is the first time, as far as I'm aware, that the Navy has let stand a court decision that it has broken the law in this area. Obviously it has a precedent that can be relied on in the future."

Last January, Judge Stanley Sporkin of Federal District Court in Washington ordered the Navy to halt its efforts to dismiss McVeigh and ruled that the Navy's investigation into his sexual orientation was a clear violation of the military's five-year-old "don't ask, don't tell" policy. The policy was intended to allow gay service members to remain in the military so long as they were discreet about their private lives.

Judge Sporkin also appeared to side with lawyers who suggested that the Navy and America Online had violated a 1986 Federal law that bars computer service companies from releasing confidential information about customers without the person's permission or a court order.

Wolf said that under the settlement with the Navy, the Defense Department would not appeal the judge's ruling.

The case dates to September, when McVeigh sent an e-mail message to the wife of a fellow crewman aboard the nuclear-powered submarine Chicago about a Christmas toy drive for the crew's children.

Navy officials said the woman was disturbed by the return address on his e-mail -- "Boysrch," which apparently referred to "boy search" -- and she consulted the customer profile listed under the return address on America Online. The profile identified the user as Tim of Honolulu, whose hobbies included "collecting pictures of other young studs."

The information was passed on to a Navy investigator, who contacted America Online. Without identifying his ties to the Navy, the investigator asked for the full name of Tim.

America Online acknowledged this year that a customer-service representative had violated the company's in-house rules and confirmed to the investigator that Tim was Master Chief Petty Officer McVeigh.

In interviews, McVeigh, who was described in recent performance evaluations as "an outstanding role model" and "the embodiment of Navy core values," has declined to discuss his sexual orientation, saying it was irrelevant to a case that should be focused instead on the possibility of misconduct by the Navy.

A spokeswoman for America Online, Tricia Primrose, said the settlement between the company and McVeigh was reached several months ago but was not announced at the time. "In our review of the situation, we recognized that we had made a mistake as a result of human error, and that we absolutely regretted it," Ms. Primrose said. "We've taken responsibility for this action and satisfactorily resolved it with McVeigh."

As a result of the case, she said, America Online will require all of its customer-service representatives to undergo "scenario training, in

which we give them examples of the ways in which they could be misled"

into turning over confidential information to unauthorized callers.

The representatives, she said, will also be required to read and sign a copy of the company's privacy policy every six months, with the understanding that violations of the policy "will be sanctioned all the way up to and including termination."

She said the company had also recently rewritten its privacy policy to make it clearer, and had made it available on line.

"We wanted to make this easier to read, written in plain English," she said.

"It was a big overhaul to make this document understandable to us mere mortals."

The policy opens with a statement that America Online is "committed to protecting your personal privacy" and that "we understand that for you to take full advantage of the benefits of this interactive medium, we must do

everything we can to insure that your privacy is secure." ===== ATTACHMENT 1
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CREATOR: rwockner (rwockner@netcom.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:12-JUN-1998 13:49:00.00

SUBJECT: NC7210: Navy, AOL settle with sailor

TO: Richard Socarides (Richard Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart D. Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

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WASHINGTON, June 12 (UPI) -- The Navy and America Online have settled lawsuits filed by a sailor who was investigated after he posted an anonymous online message describing himself as gay.

Under the Navy agreement, 36-year-old Master Chief Petty Officer Timothy McVeigh will retire from the Navy with full benefits and receive money for legal fees.

America Online spokeswoman Tricia Primrose told United Press International the online giant has apologized for giving out McVeigh's name. Under a separate agreement, the company has agreed to pay an unspecified amount for damages.

Primrose said: ``We recognized that AOL had made a mistake. We

realize that what happened was a result of human error and we absolutely regret it."

In a telephone interview, McVeigh tells the New York Times: "I'm happy that this case has been resolved on my terms....I hope it sends the message that the rules and regulations that are in place need to be followed by the military."

The Navy had originally sought to discharge the decorated sailor without any benefits because he posted a note on American Online that identified himself as "Tim," a "gay" man with the email address "Boysrch."

Primrose admits the Navy investigator duped an AOL employee into confirming that the company had a customer matching McVeigh's name: "The person calling pretended to be a friend (of McVeigh's) and misled our customer service representative."

According to Primrose, the Navy investigator should have called AOL's legal department, instead of directing its inquiry to the company's 800 number.

The company says that it will now train all customer-service representatives so they will not be misled and give out private information. America Online has also rewritten its privacy policy in easier-to-understand language.

Last January, a Washington federal judge ordered the Navy to halt its efforts to dismiss McVeigh and ruled the Navy's probe into his sexual orientation violated the military's ``don't ask, don't tell" policy, which bars the military from inquiring about a service member's sexuality.

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CREATOR: Doug.Case (Doug.Case@sdsu.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:12-JUN-1998 18:53:00.00

SUBJECT: Navy and America Online Settle Case on Gay Privacy

TO: Richard Socarides (Richard.Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart.D.Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

NEW YORK TIMES, June 12, 1998

(<http://www.nytimes.com>)

Navy and America Online Settle Case on Gay Privacy

By PHILIP SHENON

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X-Sender: dcase@mail.sdsu.edu

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CREATOR: rwockner (rwockner@netcom.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:12-JUN-1998 13:58:00.00

SUBJECT: NC7213: Honolulu Advertiser on McVeigh case

TO: Richard Socarides (Richard Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart D. Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:
HONOLULU ADVERTISER

P.O. Box 3110

Honolulu, Hawai'i 96802

tiser@aloha.net

June 12, 1998

PEARL SAILOR, NAVY SETTLE ON RETIREMENT

On-line activity led to charge he is gay

Advertiser Staff and News Services

A highly decorated sailor who successfully fought his dismissal from the Navy after he was accused of being gay said late last night that he will retire under a settlement.

Timothy R. McVeigh refused to release details, but The New York Times reported today that the settlement called for full benefits and thousands of dollars to pay his legal fees.

A spokesperson for the Honolulu-based U.S. Pacific Fleet declined to confirm the settlement last night.

McVeigh, 36, who is not related to the convicted Oklahoma City bomber with a similar name, also wouldn't discuss a settlement he reached with America Online Inc.

McVeigh's mother, Teri, said last night: "All I can say is the New York Times article is true." She was reached by phone at McVeigh's Honolulu home.

The Navy began investigating McVeigh last year after he was linked to an anonymous America Online profile page suggesting he was sexually interested in young men. Despite glowing performance reviews over an 18-year Navy career, he was ordered dismissed in December on charges he engaged in sodomy.

McVeigh, who has never publically discussed his sexuality, sued to block the dismissal. A federal judge ruled that the Navy violated the 1986 Electronic Communications Privacy Act by obtaining confidential information from America Online without a warrant or court order.

U.S. District Judge Stanley Sporkin held that the Navy wrongly enforced the Pentagon's "don't ask, don't tell" policy on gays in the

military. ===== ATTACHMENT 1 =====
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CREATOR: rwockner (rwockner@netcom.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:13-JUN-1998 16:05:00.00

SUBJECT: NC7425: McVeigh's work day is boring

TO: Richard Socarides (Richard Socarides@EOP [UNKNOWN])

READ:UNKNOWN

TO: Stuart D. Rosenstein (Stuart D. Rosenstein@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

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HONOLULU ADVERTISER

P.O. Box 3110

Honolulu, Hawai'i 96802

tiser@aloha.net

June 13, 1998

SAILOR RIDES OUT ROUGH SEA AT PEARL

Sex controversy brings retirement

By Dan Nakaso

Advertiser Staff Writer

Master Chief Timothy McVeigh reports to work at Pearl Harbor
precisely at 7 a.m. to begin yet another day of monotony.

He walks up a flight of stairs to a windowless office, and takes this time pouring his first cup of coffee. At 7:30, he reaches into his Navy-issue desk and removes 10 folders on the 10 training projects he's working on.

For the next hour he makes phone calls to nudge each project along, then slips the folders back into his desk.

At 8:30 a.m., McVeigh's work is done for the day.

On Aug. 31 McVeigh's Navy career will be over as well after 18 years of promotions and glowing evaluations -- the fallout from a Navy investigation into his sexual orientation.

A federal judge eventually ruled the investigation improper and McVeigh hoped to return as chief of boat of a nuclear fast attack submarine.

But the Navy kept offering one desk assignment after another. So this week McVeigh and the Navy reached a settlement to end his career.

McVeigh leaves with four rows of ribbons over his heart and anchor with two stars on his collars: the insignia of a master chief, the highest enlisted rank in the Navy.

McVeigh will transfer next month from Pearl Harbor to Jacksonville, Fla., for processing and retire in August with all the benefits of a master chief -- a term of the settlement.

The trip to Florida will be a homecoming for McVeigh, who has a home in Jacksonville. McVeigh, 36, joined the Navy 18 years ago in Florida.

The Navy will pay \$90,000 lawyer and court fees and drop its appeal of U.S. District Court Judge Stanley Sporkin's ruling that the Navy violated its own policies when it began investigating McVeigh on allegations of indecent acts and sodomy.

To this day, McVeigh will not disclose his sexual orientation.

Sporkin also had issued a permanent injunction barring the Navy from kicking out McVeigh.

Although the Navy couldn't force McVeigh out, "he really wasn't going to be able to pull it out as an effective leader from this point on," said Michael Parkovic, and associate history professor at Hawai'i Pacific University who specializes in military studies.

"All things being equal, there was going to be a point where he was going to feel awkward and ostracized."

Navy officials declined to make McVeigh's commanders available to talk about how they have dealt with him.

"They have nothing to say," Cmdr. Betsy Bird, a submarine base spokeswoman, said. "I'm sure they'll just tell you Master Chief McVeigh is treated the same as any other sailor."

Online disclosure

Despite what has happened to McVeigh, the biggest aspect of the case may have been the Navy's ability to get personal information on him from America Online, said professor William Rubenstein, who teaches sexual orientation and the law at UCLA.

"If you can just call America Online and find out who someone is, the ramifications of that are stunning," Rubenstein said.

"It seems to me that what the (McVeigh) case stands for at the end of the day doesn't say much about gays in the military per se. But someone soon is going to be using the Internet in a way that the military will have some interest in finding out who it is."

McVeigh also has reached an undisclosed settlement with AOL.

Pushed into drudgery

For him, the case began Sept. 12 as the USS Chicago returned to Pearl Harbor. McVeigh was chief of the boat -- or "COB" -- of a Los Angeles-class submarine of 134 officers and sailors designed to hunt down ships and subs.

Before the boat was even tied up, McVeigh was ordered to report to Sub Squadron 3 headquarters.

McVeigh remembered a lieutenant telling him: "I have something that's kind of unpleasant," then handed him a sheet of paper. "But first let me read you your rights."

The phrases on the paper stunned McVeigh: "sodomy," "indecent acts."

Then the lieutenant produced a computer profile that McVeigh had filled out for America Online, one in which he had written "gay" in the space for marital status.

Over the next few days, McVeigh learned the Navy's case began when he sent an e-mail message to the on-shore liaison for the Chicago, asking her to query other crew members' wives and put together a list of ages and sexes of the crew's children. McVeigh said he was responding to a request from a USS Chicago support group in Chicago that annually buys Christmas presents for the crew's children.

The liaison instead looked up the AOL profile for McVeigh's screen name -- "Boysrch" -- and reported to the Chicago's commanding officer.

He never returned to the Chicago.

Since March, McVeigh has been assigned to the complex of three buildings known collectively as "The Big Blue Building." His job is to find cost-effective training.

Before that, McVeigh supervised two sailors removing trash from an office.

Before that, he helped paint, spackle and install sheet rock in an office.

Stigma of the charge

Submariners such as Petty Officer Charles Hurley of San Diego say McVeigh should have been allowed to return to sea as a "COB."

Hurley worked for McVeigh for two years aboard the USS Asheville and said no other sailor comes close in knowing his job, knowing his boat and dealing with people.

Hurley realizes biases are hard to overcome in the Navy, especially in the small community of submariners.

"If Master Chief McVeigh went to a boat and people didn't know who he is, he'd be considered a great COB," Hurley said. "But as soon as it gets out who [he] is, I don't know."

Hurley knew McVeigh when they were both stationed in San Diego, before McVeigh left for Pearl Harbor in June of last year.

For the next few weeks, McVeigh will continue to roar off each day to the sub base in the white, rag-top, \$40,000 Corvette he financed with his pay raise to senior chief. At noon, he returns to Mililani to have lunch with his mother Teri, who has lived with him since her heart attack in 1993.

Then it's back to "The Big Blue Building" for three more hours.

McVeigh typically spends the rest of the day reading the newspaper and listening to his five office mates talk about what's happening in their lives.

In August, McVeigh will begin the rest of his.

He has no plans for a civilian career but is thinking about writing a book about his case.

"I'm open to all offers," he said, "so if anyone needs a manager for a nuclear powered submarine, I'm available."===== ATTACHMENT 1
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