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II

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The New York Times
WEDNESDAY, MARCH 12, 1997

Friends Helped Labor Nominee Move Up, Then Almost Brought Her Down

By MICHAEL WINES

WASHINGTON, March 11 — Nobody doesn't like Alexis Herman.

Ask childhood friends about President Clinton's choice to be the next Secretary of Labor, and they recall how the tough-minded black youngster from Mobile, Ala., faced down a Catholic prelate over racial discrimination. An admirer remembers when she lent her good dresses in the 1970's to black women interviewing for office jobs. Democrats marvel over her management of the party's 1992 convention, the one that helped pump up Bill Clinton's support in polls by 20 percentage points.

She has been known to give presents to co-workers after tough workweeks. One man says she briefly considered becoming a nun.

"People who like her really like her," says Lamond Godwin, who grew up across the street from Ms. Herman in the 1950's. "Most of the people she meets who become her friends remain her friends forever."

Which, lately, is her biggest problem.

The Senate Labor Committee investigated Ms. Herman for two and a half months before scheduling a hearing on her nomination for next Tuesday. The delay had less to do with her résumé, a Horatio Alger story of pluck and hard work, than with the friends — powerful, sometimes controversial Democrats — she made on the way up.

Ms. Herman's confirmation now seems likely, but questions about those relationships had threatened her nomination and angered her supporters.

"Alexis is not somebody who's along for the ride," said Ricki Seidman, a White House aide during Ms. Herman's recent tenure as the Presidential liaison to business and the public. "She's a highly principled person."

Few dispute that. But the story of Ms. Herman's rise to influence, so intertwined with powerful friends, suggests how delicate the balance between politics and principle can be.

The White House declined to make Ms. Herman, 49, available for an interview, citing her upcoming confirmation hearing. But associates describe a woman who learned early that skin color does not determine success.

Religion and Politics Side by Side

Ms. Herman grew up in Mobile when white resistance to integration was peaking and Southern blacks were awakening to their political power. Her mother was a reading teacher. Her father, a mortician, was one of the first blacks elected to Alabama's Democratic Party organization. Friends recall watching national political conventions in the Herman living room, her father providing commentary.

Religion most shaped Ms. Herman's youth. Her Catholic parents shunned segregated state education and enrolled her in parochial schools — still segregated, but employing white priests and nuns whose tutoring was colorblind.

"The nuns and the priests kept us from becoming racists," Mr. Godwin said. "The best people we knew were white — people we spent the whole day with, who were the best examples of moral behavior. We had the Klan bombing churches, but we had these people on our side. It made it easy to understand that the problem was not us; the problem was the Klan."

It also enabled Ms. Herman to challenge racism. She once sneaked away from classmates at a school event, the annual Christ the King parade, to demand that a church official explain why black students never performed the celebration's symbolic highlight, crowning the Virgin Mary.

Ms. Herman's father once took her high school class on an unusual field trip: to a meeting of the Alabama Citizens Council, the front for the Ku Klux Klan.

"They started throwing things at us," said Paulette Lewis, a classmate and still a close friend. "Popcorn boxes, cans, whatever. This is the kind of upbringing we had."

Forging Friendships With the Influential

Most Pure Heart of Mary High School, where Ms. Herman was a class officer, produced extraordinary alumni in Ms. Herman's era: a Marine general and ambassador; an adviser to President Ronald Reagan; doctors; investment bankers like Mr. Godwin, a managing director of Smith Barney Inc.

Ms. Herman graduated from a Catholic university — Xavier University of Louisiana, in New Orleans — and returned to Mobile. She joined Catholic Charities in nearby Pascagoula, Miss., lobbying the city shipyard to give apprenticeships to unskilled black laborers.

She was good at it, blessed with self-confidence and an ability to bridge gaps between blacks and whites. Mr. Godwin, then working on minority-employment programs for the Southern Regional Council, touted her to Ray Marshall, a member of the council's executive committee. Mr. Marshall brought her to Atlanta to work on a project to persuade corporations to hire college-educated black women for office jobs that had been filled exclusively by whites.

"I was amazed," Mr. Marshall said recently. "She did a better job than I would have."

Using a Federal grant, Mr. Marshall expanded Ms. Herman's project and merged it with a New York City nonprofit group, the Recruitment and Training Program. Working there was another Southerner, who had impressed Mr. Marshall on a project to integrate the construction industry. His name was Ernest G. Green.

Mr. Green was already well known. When Federal troops forcibly integrated schools in Little Rock, Ark., in 1957, Mr. Green was among the first black students escorted into Central High. His coolness had made him something of a civil rights icon. He and Ms. Herman became fast friends.

Mr. Marshall and Mr. Godwin, meanwhile, had moved on to run a task force on the rural South whose directors included Georgia's Governor, Jimmy Carter. "We were having dinner at the initial meeting of the task force," Mr. Godwin said, "and Governor Carter said he was thinking about running for President. This was 1974. At the time, we all thought it was far-fetched."

But President Carter chose Mr. Marshall as his Secretary of Labor. Mr. Marshall named Mr. Green an assistant secretary, Mr. Godwin his head of national employment programs and Ms. Herman director of the women's bureau.

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According to Mr. Godwin, who sketched out Ms. Herman's life in politics, the three administered billions of dollars in grants much like those they had once received, and although Ms. Herman did not dispense money, she became a top adviser to Mr. Green and Mr. Marshall.

They also became political figures, if minor ones. Ms. Herman had worked on the Atlanta mayoral campaigns of Maynard H. Jackson and Andrew Young. She was also an early supporter of Marion S. Barry Jr., and got to know Ronald H. Brown, a National Urban League executive and Democratic Party figure.

At a 1980 testimonial dinner in Mobile, she met another rising political figure: the Rev. Jesse Jackson, then the head of Operation PUSH, the group that targeted companies with poor minority-employment practices.

After Mr. Carter lost the 1980 election, Mr. Green and Mr. Herman formed a firm that advised businesses on marketing and minority-hiring issues.

Within months, Republican critics accused Mr. Green of shoveling almost 300 Federal contracts and grants to cronies in the last months of Mr. Carter's term, including contracts to the Recruitment and Training Program and Operation PUSH. They also accused Green-Herman & Associates, the new consulting firm, of cashing in by obtaining subcontracts from some of those same cronies.

The Labor Department, the Senate and a United State Attorney's office all investigated. Though some Federal employees testified to irregularities, others called the complaints trumped up. No charges were filed. Mr. Godwin and Mr. Marshall, who now holds an endowed chair in economics and public affairs at the University of Texas, call the affair a political smear.

In fact, friends of Ms. Herman and Mr. Green now say, Green-Herman & Associates did benefit later from Mr. Jackson, who sometimes recommended their consulting firm to companies targeted by Operation PUSH. But that, they say, reflected not favor-trading but Mr. Jackson's growing friendship with the two and his confidence in their firm.

Building a Machine As Fortunes Rise

Ms. Herman's political and financial fortunes rose in tandem. In 1982, she supported Mr. Barry's re-election campaign for Mayor of Washington. In 1984, she worked for Mr. Jackson's Presidential campaign. About the same time, the developer of a Pennsylvania Avenue tract near the Capitol made Ms. Herman a partner, giving her 3.3 percent of an office-and-condominium complex for little or no money.

Then and now, such sweetheart deals are a common way of satisfying the affirmative-action demands of government boards that hand out lucrative contracts. Ms. Herman later sold part of her share and recently valued the remainder at $500,000 to $1 million.

Mr. Green sold his interest in the consulting firm to Ms. Herman in the mid-1980's and entered investment banking. In 1988, Ms. Herman joined Mr. Jackson's second Presidential campaign and found herself working with Mr. Brown, by now a prominent lawyer and lobbyist who was organizing Mr. Jackson's convention.

George Bush's triumph in 1988 left the Democratic alliance in tatters. Mr. Brown sought the chairmanship of the Democratic National Committee, and won. Ms. Herman became his deputy and, in 1992, the organizer of the party's national convention.

Together, they built an impressive financial and political machine. Just as in Pascagoula and Atlanta, Ms. Herman's deftness at organizing blacks, whites, rich and poor around a common purpose stood out.

She and Mr. Brown also came under attack for what U.S. News and World Report called the lavish use of perks like limousines, private jets and a Central Park apartment rented during planning for the 1992 convention, which was held in New York City.

To some others' dismay, Ms. Herman continued to run her consulting firm while running Democratic politics. In one case, her firm was paid $600,000 to advise the winning bidder for a $750 million Federal office project near the White House, a plum fought over at both ends of Pennsylvania Avenue. Critics later complained that she acted as a political fixer in the competition, an accusation the White House has denied.

When Mr. Clinton became President, Mr. Brown became Commerce Secretary. Ms. Herman went to the White House as head of the office of public liaison — in effect, the grass-roots organizer of support for Administration policies.

The job was ostensibly nonpolitical, but by its nature, it has almost inevitably taken on a political cast. This time, that was doubly true: the office helped draft Mr. Clinton's plans to win over ethnic groups in his 1996 campaign. Ms. Herman's deputy ran a group that targeted Asian-Americans. Another aide worked on wooing the Jewish vote.

Among other campaign duties, Ms. Herman supervised the strategy to win black voters. Her second in command was an old friend, Mr. Green, who by then was a friend of the President's, too — and one of the Democratic Party's biggest soft-money fund-raisers. He also promoted business deals, including ventures with another Arkansan and Presidential friend, Yah Ling (Charlie) Trie.

All those roles converged in the 1996 campaign. Mr. Green appeared at some of the now-infamous White House coffees with major party donors. In February 1996, he and Mr. Trie arrange for attendance at one coffee by one of their business prospects, Wan Jung, an executive in an arms-export business identified as a weapons smuggling front for the Chinese military.

Ms. Herman also attended some coffees; her office invited a Federal banking regulator to one such session, attended by big donors from the banking industry.

Ms. Herman has insisted that she played no part in that invitation, and that her work for Mr. Clinton's re-election was properly performed on personal time.

Senate investigators have since scrubbed that and the rest of Ms. Herman's past. After long thought, they seem agreed that nothing there bars her confirmation.

The New York Times WEDNESDAY, MARCH 12, 1997

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Cabinet choices aimed to skirt law

Herman, Slater tested Hatch limits

By Paul Bedard A1 1/27
THE WASHINGTON TIMES

Internal White House voter outreach plans reveal that top Clinton aides pushed the limits of the Hatch Act to get their boss re-elected in a strategy that may complicate confirmation of two Cabinet nominees.

The outreach plans released by the White House last week detail how top Clinton aides used their offices and government equipment to court minority groups.

The key question is whether the Clinton-Gore campaign violated the Hatch Act, which restricts politicking by government workers and forbids the use of government equipment for electioneering.

Lanny Davis, White House special associate counsel, has said no violations occurred. He has also acknowledged that the Clinton-Gore campaign reimbursed the Treasury $917 for the cost of drafting two of six minority outreach reports written on White House computers.

And yet, new documents indicate that other political strategy memos called for White House involvement in politics that at the very least stretched the spirit of the Hatch Act to the limit.

For example, the outreach plan that targeted Hispanic voters called for the placement of a member of that minority group in the White House communications department for the sole purpose of promoting the president in the Hispanic press.

It also called on top Clinton officials to act as re-election surrogate speakers and meet with Hispanic reporters on their trips out of town.

"Appointees have been and will again be directed to find an Hispanic media opportunity every time they travel," the report said.

A report on political outreach to blacks co-authored by Alexis Herman, then director of the White House Office of Public Liaison, and Rodney Slater, then head of the Federal Highway Administration, raises similar questions about compliance with the Hatch Act.

In her report, Miss Herman, whom Mr. Clinton has tapped to head the Labor Department, specifically referred to resources available within the White House to assist in spreading a positive political message to black voters.

"White House team members will provide overall direction and policy guidance with respect to: the master calendar of events; appearances and phone calls by White House principals [the president, vice president and their wives] and administration surrogates; issues tracking; message development; overall political strategy for 1996," the report said.

Mr. Davis said the reports naming Miss Herman were sent to the Senate Labor and Human Resources Committee, which plans to hold hearings on her nomination.

Mr. Davis said that the working groups preparing the minority-voter outreach plans handed over their reports to the Democratic Party and that the plans "anticipated limited White House involvement."

While the Hatch Act forbids the use of government equipment for campaign activities, the Herman report said a special fax network was to be used to promote the president.

"An electronic fax network has been established at the White House to distribute daily talking points, calendars of upcoming events, stump speeches, descriptions of major legislative victories, agency accomplishments and other materials of potential interest to recipients," the report said.

"Over 1,000 key African Americans are currently included on this network, and others will be added in the coming months. These materials are also being supplied to the DNC to include in their monthly newsletter and to supply members of the 'quick response teams' they are setting up," the Herman report said.

Miss Herman also wrote that a group of communications workers were being placed in the White House media affairs office "to help highlight two or three major events each month from now until the election."

Miss Herman was the chairwoman of the African American Working Group and worked closely with Mr. Slater in developing political strategies aimed at consolidating support in the black community. Miss Herman and Mr. Slater are black.

Mr. Slater is the president's nominee to head the Transportation Department and will face questions about his role in the campaign this week before the Senate Commerce, Science and Transportation Committee.

Government appointees can participate in political activities but must first put in 40 hours of official work. All political actions must occur during off hours.

The Herman report warned the specially selected presidential surrogates to discuss administration accomplishments during their speeches. This helped the White House skirt the Hatch Act provision that bars political appointees from using their official positions to promote a president's re-election.

"Needless to say, it is inevitable that someone will still be singled out for criticism by the press," the report said.

"We should strive to minimize any negative publicity and ensure that all surrogates are clear about Hatch Act restrictions."

The thick report said that the White House would provide the Democratic National Committee with information surrogates could use when battling "hostile" radio talk-show hosts.

In a sentence that displayed how the administration sought to push, but not cross, the boundaries of the Hatch Act, the White House report aimed at nailing down the black vote said:

"We will also provide the DNC with administration materials that can be rewritten to be more piercing than what White House or administration surrogates would be permitted to issue. Not being bound by the Hatch Act, DNC surrogates can be more partisan in their defense of the Clinton administration."

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Racial tactics, travel by Slater questioned

But Transportation pick is still on track

By Paul Bedard
THE WASHINGTON TIMES

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The Washington Times
TUESDAY, JANUARY 28, 1997

The easy road to confirmation as transportation secretary for Rodney Slater has turned rocky amid Senate concerns about his travel and participation in a re-election project to warn blacks about voting Republican.

Senate officials said Mr. Slater's confirmation hearing tomorrow before the Commerce, Science and Transportation Committee also will probe administration plans to peel off a half-cent of the federal gasoline tax to subsidize Amtrak and his role in the 1980s in efforts to win black support for Bill Clinton's gubernatorial bids.

Despite the concerns with the longtime Clinton ally and head of the Federal Highway Administration, his nomination is expected to win the approval of the transportation committee, headed by Sen. John McCain, Arizona Republican, panel associates say.

"Up here he's viewed as the best

see SLATER, page A12

SLATER

From page A1

appointee they have in Transportation," said a congressional official who has worked with Mr. Slater.

But Mr. Slater's involvement in a voter-outreach project targeting blacks by demonizing Republicans has angered some committee members, including Mr. McCain. They have accused the president of using race-baiting tactics in the last election.

An election-year report by the African American Working Group urged black administration officials to travel the country in their official capacity to slam the House GOP's "Contract With America" and dub Republicans "enemies of civil rights."

The working group was led by Alexis Herman, director of the White House Office of Public Liaison, and included Mr. Slater and other top blacks in the administration.

Miss Herman has been nominated to head the Labor Department, but her chairmanship of the group that produced the voter-outreach report and her involvement in the growing Democratic fund-raising controversy have jeopardized her confirmation, Senate officials said.

White House Press Secretary Michael McCurry said the president is not concerned about his nominee, and a Slater associate said "I'm not picking up a lot of alarm" about the Transportation Department nomination.

Questions about the voter-outreach project, combined with Mr. Slater's penchant for travel, have prompted the panel to study his trips around the country, especially during election campaigns.

The voter-outreach report

"Up here he's viewed as the best appointee they have in Transportation," a congressional official said.

named Mr. Slater as a top administration surrogate.

"Agency surrogates will carry out these activities as part of their normal job duties in 1996. That is, they will be helping to educate the African American public and key interest groups about Clinton administration accomplishments — not campaigning," the report said.

Mr. Slater has been one of the administration's most traveled officials, although a House Appropriations Committee investigation found few problems.

That panel reviewed his travel in fiscal 1995 and found that 48 trips took him out of town for 116 days. A review provided to the Senate put the cost of the trips at $30,198.

Mr. Slater said only five of those trips had political aspects. Usually he traveled to survey flood damage, attend road conferences, open roads or announce federal highway spending.

He took several political trips last year, but the Democratic National Committee picked up the costs, a spokesman said.

Mr. Slater, who enjoys a good relationship with congressional committees with oversight of his agency, also faces questions at his hearing over his apparent support for devoting a half-penny of the federal gas tax to Amtrak.

Some Senate transportation committee members have questioned why taxpayers with no access to Amtrak should subsidize the system, whose highest ridership is in the Northeast.

Another issue that may be raised is Mr. Slater's long political relationship with President Clinton and his actions in wooing blacks in Arkansas gubernatorial races.

In 1984, for example, he was Mr. Clinton's point man in an effort to generate a high black vote in the Little Rock area for the gubernatorial election and played an active role in get-out-the-vote activities.

During the election, Clinton campaign workers handed out "walking-around money" — a legal practice at the time in Arkansas — to reward blacks who voted for the governor.

Mr. Slater, however, is expected to tell the committee that he did not handle cash during get-out-the-vote projects, an associate said.

• *Brian Blomquist contributed to this report.*

Clinton officials targeted charities

By Lance Gay
SCRIPPS HOWARD NEWS SERVICE

Newt Gingrich isn't alone in using tax-exempt organizations for political purposes. Documents show White House aides developed plans last year to energize nonprofit groups to work for President Clinton's re-election.

The plans were developed under Mr. Clinton's assistant for public liaison, Alexis Herman, whom Mr. Clinton last month nominated to be his new secretary of labor.

One of the plans notes that using nonprofit, religious and ethnic organizations for political purposes might pose legal problems, said the documents released by the White House. Some of the nonprofits approached said they told the Democratic National Committee they could not be involved in political campaigns because that could cost them their tax-exempt status under federal tax laws.

The DNC used at least one nonprofit organization for fund-raising activities when Vice President Al Gore appeared at the Los Angeles Hsi Lai Buddhist Temple last April, which raised $140,000. The event was organized by DNC fund-raiser John Huang, now at the center of a political storm over DNC fund-raising practices. The DNC returned the funds.

Section 501(c)3 of the Internal Revenue Code forbids nonprofit organizations to be involved in any political activities. Most 501(c)3 organizations are churches, charities or educational institutions.

According to the White House plans, included in a 6-inch-thick package turned over to congressional committees investigating DNC fund raising, government employees were encouraged to use organizations ranging from the Spina Bifida Association to the National Council of La Raza and the A. Phillip Randolph Institute to find "surrogates" that could be used to disseminate Democratic campaign materials, letters to the editor, and for "producing third-party horror stories on what will happen if the president's proposals are not carried out," one document said.

"Legally, none of the African-Americans for Clinton steering committees are permitted to separately raise funds from the Re-elect [Clinton-Gore '96] to pay for outreach programs — because of the federal election laws," says the document on spurring support from black American groups.

White House Press Secretary Michael McCurry defended Miss Herman's involvement in the campaign, which White House aides say was done legally after she had completed her regular work.

The plans to engage ethnic groups in the campaign were devised to reach out to neglected groups, he said. "That strikes me as good politics, good policy, and good for the democracy," Mr. McCurry said.

DNC spokeswoman Amy Weiss Tobe said the DNC did not contact the organizations, but individual officials within the organizations. "To compare this to Newt Gingrich is a joke," she said. Mr. Gingrich, she stressed, was running the tax-free foundations he tapped for political purposes.

David Marzahl, director of the Illinois Coalition for Immigrant and Refugee Protection, said the DNC's director of ethnic outreach, Thomas Albert, approached his group last year for help in contacting ethnic groups interested in immigration issues, but he was cautious about cooperating with political groups because it might jeopardize the organization's tax-exempt status.

"There were some plans to put on a naturalization ceremony in August on the Saturday before the DNC convention, but we were careful about any partisan overtones," Mr. Marzahl said. The event was held, but with both Republicans and Democrats in attendance, and without associations with the DNC, he said.

The Washington Times
TUESDAY, JANUARY 28, 1997

The Washington Times
WEDNESDAY, JANUARY 29, 1997

CAL THOMAS

Misuses, abuses and excuses

Fred Wertheimer, the former president of Common Cause and a moral icon to some when it comes to defining the straight-and-narrow way of money and politics, describes fund-raising by the Clinton administration and the Democratic National Committee as "a systematic misuse of the White House." He called the alleged cash-for-access-to-the-president scheme "unprecedented." Because Mr. Wertheimer has been a critic of fund-raising by Republicans *and* Democrats, his description carries more weight than the usual partisan complaints.

Hundreds of pages of new documents show President Clinton participated in 71 "coffees" with corporate donors and supporters. Hillary Clinton, Vice President Al Gore and his wife attended 32 more coffees at the White House with big donors and Democratic fund-raisers. Prior to the release of the documents, the administration had called these gatherings mundane and claimed no fund-raising took place. Technically there may have been no appeal for money during the meetings, but the documents reveal that those who gained access to the president coughed up $6.5 million to his re-election campaign, and at least $600,000 of that amount was given shortly after the visits.

Other papers show former Deputy Chief of Staff Harold Ickes instructed aides to devise plans to win the support of Asian-Americans, Hispanics, blacks and other ethnic groups. Republicans were frequently demonized at such gatherings, especially when the audience was black. "College-educated black professionals have a different perspective than black 'blue-collar' workers," said one of the papers. "Blacks in rural areas think differently than blacks in urban areas." Any Republican who said that would be labeled a racist.

The strategy document for winning Asian votes was written by John Huang, a central figure in the growing fund-raising scandal.

White House special associate counsel Lanny Davis said those involved in the project to target ethnic voters contributed their time over and above the 40-hour work-week and thus did not violate the Hatch Act. That will bear looking into, as will the flipping and flopping done by Mr. Gore over his visit to a California Buddhist Temple, an event that raised $140,000 for the party. At first Mr. Gore denied knowing of any fund-raising at the temple, then acknowledged it had occurred, but now says, "I did not know that it was a fund-raiser."

The president's nominee for labor secretary, Alexis Herman, sat in on five of the coffees. She was put in charge of Mr. Ickes' special project to attract minorities to vote for the president, which involved substantial fund-raising activity. The public-interest group Judicial Watch released a video deposition from James Hackney, counsel to the late Commerce Secretary Ron Brown, in which he says Miss Herman coordinated White House briefings for participants in Commerce Department trade meetings, virtually all of which carried big contributors on foreign missions. White House officials rejected the implication of a quid pro quo.

The documents reveal that other participants in the coffee meetings with the president included some of the nation's most prominent bankers and at least one senior banking regulator, the Treasury secretary and the top fund-raiser for the Democratic Party. If these meetings weren't about raising campaign contributions, why did the fund-raiser attend? While meetings between any president and potential donors are common in an election year, it is *not* common for such events to be organized by a political party nor for those who regulate an industry to be present at such gatherings.

Republicans will have a more difficult time investigating these matters than in the first Clinton term because the president is conducting a pre-emptive strike in bipartisanship. From his calling for a volunteerism summit to be co-chaired by former President George Bush and Colin Powell, to his proposed reduction in the increase in Medicare spending (for which he and the Democrats demonized Republicans during the campaign), Mr. Clinton is trying to build a rosy public-relations hedge around himself in case the scandals become too much even for a public largely anesthetized by his charm. Now that he no longer needs to run again, he says he'll stop taking "soft money" campaign contributions if Republicans do the same. Last week, he pledged to improve the quality of our food.

No matter how difficult the task, Congress must investigate every misuse, abuse and excuse in the White House fund-raising debacle.

Cal Thomas is a nationally syndicated columnist.

Politics and Alexis Herman

Alexis Herman's White House handlers ought to be advising her to buckle her seat belt. The Labor Secretary nominee is definitely going to be in for a bumpy confirmation ride.

At issue when Miss Herman faces the Senate Labor and Human Resources Committee will be her role in what seems to be an ever-broadening Clinton campaign-finance scandal. It seems, according to a sworn deposition by James Hackney, Ron Brown's Commerce Department counsel, that Miss Herman was involved in setting up White House briefings — with anyone and everyone from the president to then-Secretary of State Warren Christopher to Mr. Brown to the chairman of the Joint Chiefs of Staff — for corporate executives who were going on U.S trade missions. OK. But — and this is what's raising eyebrows, on and off Capitol Hill — she also worked with finance staff from the Democratic National Committee, where she worked for Mr. Brown before taking her White House job, to bring many of the same executives and others from their companies back to the White House for some of the now-infamous 103 "coffees" with Bill Clinton, Al Gore, Hillary Clinton or Tipper Gore. The White House vehemently insists that those "coffees" were not fundraising events; but both the Los Angeles Times and the Boston Globe reported this week that most of those attending made large donations within days of the meetings — donations that added up to $27 million. What really went on, and what was Miss Herman's role in it?

And precisely what, furthermore, was Miss Herman's role in *campaign* outreach from the White House to minority groups? According to a report produced by Miss Herman herself, for example, the outreach plan she designed included "An electronic fax network . . . established at the White House to distribute daily talking points, calendars of upcoming events, stump speeches, descriptions of major legislative victories, agency accomplishments and other materials of potential interest to recipients. . . . Over 1,000 key African Americans are currently included on this network, and others will be added in the coming months. These materials are also being supplied to the DNC to include in their monthly newsletter and to supply members of the 'quick response teams' they are setting up."

Various Senate and House committees will be investigating the issue of the Clinton administration's apparent casualness about — if not outright flouting of — campaign-finance law. But those investigations, like the FBI investigation now being conducted, will be going long after the Herman issue is settled. The larger issue of pervasively illegal or improper conduct in the Clinton White House can't be permitted to overshadow the Senate's important task of deciding whether Alexis Herman is fit to be Labor Secretary.

What the Labor and Human Resources Committee needs to determine is this: Did Miss Herman's participation in setting up and hosting the coffees — whether they were fund-raisers or just political events — run afoul of the Hatch Act, which forbids government appointees to politick on government time? Did the fax network described in Miss Herman's outreach report comport with the ban on using government equipment for politicking? Was her close involvement in the conduct of Mr. Clinton's reelection campaign proper, even if it wasn't illegal?

A close examination of Miss Herman's activities at the Democratic National Committee and at the White House is surely in order — and Republicans on the committee have made it plain (not least by postponing setting a date for her hearing) that that's what they have in mind.

The Washington Times
WEDNESDAY, JANUARY 29, 1997

SENATE PROBE?

Sen. Fred Thompson, Tennessee Republican and chairman of the Senate Governmental Affairs Committee, says his panel will consider investigating and holding hearings on the following questions:

- Whether the presidential campaigns, national political parties or others engaged in any illegal or improper campaign activities, or whether illegal campaign contributions were made to such entities, in connection with, or relevant to, the 1996 presidential campaign.
- Whether, during the course of the 1996 presidential campaign, executive-branch employees maintained and observed legal barriers between fund raising and the official business of governing.
- Whether presidential campaigns remained appropriately independent from the political activities pursued for their benefit by outside individuals or groups.
- Whether any U.S. policies or national security decisions were affected by (1) contributions made to or for the benefit of the president or (2) improper actions of any executive-branch employee or former employee.
- Whether existing campaign-finance laws, including laws governing the disclosure of contributions to entities established for the benefit of public officials, should be substantially revised and, if so, in what manner.
- Whether, based on the results of this investigation, laws other than campaign-finance laws, such as the laws regulating the conduct of federal officials, should be revised and, if so, in what manner.

The Washington Times

Lott has queries on Herman role in Clinton fund-raising meetings

REUTERS NEWS AGENCY

Senate Majority Leader Trent Lott said yesterday that Alexis Herman, President Clinton's nominee to be labor secretary, might have come close to violating the law in her work as a White House official.

Mr. Lott was commenting on Miss Herman's reported role in arranging private fund-raising meetings between Mr. Clinton and Vice President Al Gore and corporate executives.

Congressional Republicans say the nominations of Miss Herman, and Transportation Secretary-designate Rodney Slater could be in for a rough time in Senate confirmation hearings because of questions about apparent involvement in political activities.

"This latest information that has come out about arranging for meetings, appointments to the White House ... gets awfully close to the edge of violating the Hatch Act," Mr. Lott said, referring to a law barring government officials from partisan activities.

Mr. Lott said he did not know if Miss Herman's nomination was in jeopardy and had thought she was a good choice for labor secretary.

"I think we have to take a look at what she did and see if there are any problems," he said. "I hope there are not."

He said that Miss Herman's activity "certainly on its face appears bad judgment," and that senators had to determine if it was anything more than that.

The Washington Times
WEDNESDAY, JANUARY 29, 1997

THE INQUIRY

Senate Scrutiny on Democratic Financing

By STEPHEN LABATON

WASHINGTON, Jan. 28 — Senator Fred Thompson, the head of the Senate committee investigating improper campaign contributions, outlined a broad mandate today for the inquiry and said that hearings remained months away.

In a brief address on the floor of the Senate, Mr. Thompson, Republican of Tennessee, said the Senate Committee on Governmental Affairs would explore whether the White House had properly maintained legal barriers between fund-raising activities and the official business of governing, and whether any American policies or national security decisions had been affected by campaign contributions.

He also served notice on the Clinton Administration that he would consider challenging any claims of executive privilege that might be invoked by the White House to withhold sensitive documents.

A variety of House committees have begun to explore various angles of the campaign finance activities of the Democrats. The Justice Department has also created a special task force to examine the fund-raising activities of the Democratic National Committee and a number of major donors.

But Mr. Thompson's inquiry is expected to be the main Senate showcase for examining how the White House and the Democratic Party raised money for the Presidential campaign and why so many questionable donations were solicited. The Democratic committee has already returned about $1.5 million in contributions, most of which was solicited by John Huang, a former trade official in the Commerce Department who left the Government for a top position on the committee.

Mr. Thompson, who became well-known in Washington two decades ago for his work as the Republican counsel to the Senate committee investigating Watergate, said the Governmental Affairs Committee would look at the conduct of both the Democratic and Republican campaigns.

"This does not mean that we must strain to create some false balance or that we have some sort of party quota system," Mr. Thompson said. "It simply means that we must let the chips fall where they may. We are investigating activities, not political parties."

At his news conference today, President Clinton said that he hoped Mr. Thompson's investigation would be "fair and evenhanded."

"I'm confident that any investigations will reveal what I said, that the vast majority of people who give, do so well within the law, and with the best of motives — they really believe in what they're doing, on both sides," Mr. Clinton said.

Still, both the Senate minority leader, Tom Daschle of South Dakota, and Senator John H. Glenn Jr. of Ohio, the ranking Democrat on the Governmental Affairs Committee, urged the Republicans today to impose strict restrictions on the length and scope of the inquiry.

But Mr. Thompson said he would not impose limits because the White House had not always been cooperative with Congressional inquiries.

"We have seen what appears to be a grudging release of information in dribs and drabs and, seemingly, only when forced to," Mr. Thompson said. "We have seen the broadest claims of executive and attorney-client privilege in our history. We have seen all manner of delaying tactics which Congressional oversight committees claimed were intended to avoid scrutiny by Congress, where noncooperation has been stretched past the cut-off dates of committee investigations or even sessions of Congress."

THE NOMINEE

Hints of a Possible Cloud Over Labor Appointment

By MICHAEL WINES

WASHINGTON, Jan. 28 — The Senate majority leader, Trent Lott, cast a shadow today over President Clinton's nomination of Alexis M. Herman as Secretary of Labor, saying her political activities while in the White House last year may have run "awfully close to the edge" of Federal law.

Mr. Lott, a Mississippi Republican, said he did not know whether the nomination was in jeopardy. The White House and senior Democratic senators have declared their confidence that the Senate will confirm Ms. Herman.

Still, making that happen appears to be the first task of two top Democratic strategists recruited by the White House to help shepherd its nominations through the confirmation process.

Ms. Herman, until recently Mr. Clinton's liaison to ethnic groups and other constituent groups, was identified in White House files released last week as a leading organizer of those groups on behalf of Mr. Clinton's 1996 re-election campaign. Among other activities, the documents state, she prepared a plan to recruit black supporters by inviting black community leaders to meet the President at the White House.

Ms. Herman's office also invited Edward Ludwig, the Comptroller of the Currency and a crucial Federal banking regulator, to a much-criticized meeting last May of banking executives, their Federal overseers, the President and the Democratic Party's top fund-raiser. The Democratic National Committee arranged the White House session, which was not officially a fund-raising event but which included many of the banking industry's biggest donors to Democratic causes.

The White House has strongly defended Ms. Herman, saying she put in a full day's work in her White House job before performing any political duties. The Hatch Act bars Presidential appointees from conducting political activity while on the job, but does not prohibit after-hours work for parties or candidates.

But Mr. Lott questioned the White House position today.

"This latest information that has come out about arranging for meetings, appointments at the White House, as the news media reported this morning, it's awfully close to the edge of violating the Hatch Act," he said after a lunch with Republican senators in the Capitol. "I think we have to take a look at what she did and see if there are any problems."

Mr. Lott said he had considered Ms. Herman a good choice to head the Labor Department until the latest reports. Asked whether her confirmation was in jeopardy, he replied, "I don't know."

Senator James M. Jeffords, the Vermont Republican who heads the Labor Committee, has yet to schedule hearings on Ms. Herman's nomination, which some regard as a sign of trouble. Most of Mr. Clinton's other nominees have either completed their hearings or have a schedule for them.

But one senior Democratic aide, who spoke only on the condition of anonymity, noted that Presidents had used Ms. Herman's office as a vehicle for campaign planning for years, if not decades, and argued that Ms. Herman's political activities so far had not been shown to be much more blatant than those of Republican Administrations.

The New York Times

WEDNESDAY, JANUARY 29, 1997

Transportation secretary nominee questioned about work against GOP

By Brian Blomquist
THE WASHINGTON TIMES

President Clinton's nominee for transportation secretary, Rodney Slater, was received warmly yesterday by members of a Senate committee who asked him only a few questions about past efforts to get blacks to vote against Republicans.

Only Sen. John McCain, Arizona Republican, voiced displeasure with Mr. Slater's involvement in a voter-outreach project to attract blacks to Democrats. It characterized Republicans as "enemies of civil rights."

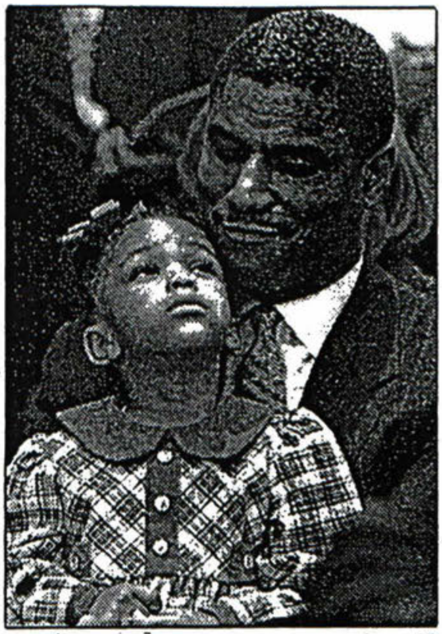
"I don't believe that members of my party are enemies of civil rights," said Mr. McCain, chairman of the Commerce, Science and Transportation Committee. "I wish you had not been part of a group that wrote such a document."

Mr. Slater said he had "no intention to beat down" his political opponents.

As for the part of the report that called Republicans ememies of civil rights, Mr. Slater said, "I think it is unfortunate that the language was stated in that way."

The committee plans to vote to recommend Mr. Slater for transportation secretary early next week. Aides have said they expect the vote to confirm him to be unanimous. The full Senate will then vote.

Mr. McCain indicated that Mr. Slater would win the job rather easily. "Now you are assuming even greater responsibility," the chairman told Mr. Slater near the end of the confirmation hearing.



AP

Transportation secretary nominee Rodney Slater holds daughter Bridgette, 4, before a Senate Commerce Committee hearing.

Mr. Slater, currently administrator of the Federal Highway Administration, was expected to face tough questioning about his work with a group led by Alexis Herman, director of the White House office of public liaison.

The pair, along with other top blacks in the administration, were members of the African American Working Group, which put out an election-year report urging black administration officials to travel the country in their official capacity and attack Republicans.

Mrs. Herman's nomination to head the Labor Department is jeopardized because of her chairmanship of the group that produced the voter-outreach re port and her involvement in th growing Democratic fund-raisin controversy.

The committee's senators di not ask Mr. Slater if he considere the project a violation of the Hatc Act, which prohibits public offi cials from campaigning while o the job.

The report said: "Agency surro gates will carry out these activitie as part of their normal job dutie in 1996. That is, they will be help ing to educate the African American public and key intere groups about Clinton administra tion accomplishments — not cam paigning."

During the hearing, Mr. Slate also was questioned about his e tensive travel, but committee aide said his written responses to trav questions appeared to "mollify serious concerns.

In fiscal 1995, Mr. Slater took 4 trips, which took him out of tow for 116 days. A review put the co of the trips at $30,198. In fisc 1996, Mr. Slater said he travel 126 days.

Meanwhile yesterday, the Whi House gave Mrs. Herman a vote confidence.

"The president is certainly wi ing to work very hard on behalf a nominee that he considers exce tionally well qualified," Whi House spokesman Michael M Curry told reporters.

He agreed with a reporter's su gestion that Mr. Clinton was pr pared to "go to the mat" for M Herman, as he promised to do Anthony Lake, whose nominati to become CIA director also h been in question.

The Washington Times
THURSDAY, JANUARY 30, 1997

The Washington Post
THURSDAY, JANUARY 30, 1997

DNC Fund-Raising Flap Snags Labor Nominee

GOP Senators Delay Confirmation Hearings, Query Herman on White House Political Role

A1

By Frank Swoboda
Washington Post Staff Writer

The White House yesterday provided its most detailed explanation yet of how the president came to host a coffee attended by Democratic party fund-raisers, the leaders of 17 major financial institutions and the nation's top banking regulator.

Alexis M. Herman, President Clinton's nominee to be secretary of labor, was the person who added Comptroller of the Currency Eugene A. Ludwig's name to the guest list, based on a "misunderstanding" of the nature of the meeting, White House officials said.

Herman, director of the White House's Office of Public Liaison, initially did not know the May 13 coffee had been organized by the Democratic National Committee, the officials said. When she learned that, just days before the meeting, she decided it would be inappropriate for her to attend, but did not notify Ludwig.

The White House's explanation of Herman's role in the banker's meeting comes as Senate Republicans have put off confirmation hearings on her nomination, pending a review of her political activities while working at the White House.

Clinton said Tuesday that Ludwig should not have been included in the May meeting. Critics have said it was inappropriate to mix party fund-raisers with a federal regulator who holds enormous power over the potential donors at the meeting.

Yesterday, the White House stepped up its public support of Herman, who has declined interviews while her nomination is pending. White House press secretary Michael McCurry said, "The president is certainly willing to work

See HERMAN, A6, Col. 4

HERMAN, From A1

very hard on behalf of a nominee that he considers exceptionally well-qualified."

Herman first entered government in 1977 when, at age 30, she became the youngest head of the Labor Department's Women's Bureau. At the end of the Carter administration, she became active in Democratic politics, serving in 1988 as deputy convention manager for the Jesse Jackson campaign under the late Ron Brown. When Brown became chairman of the DNC, he made Herman his deputy chairman and chief of staff. Herman was named co-director of the presidential transition team when Clinton was first elected in 1992. During the Clinton administration, she has run the Office of Public Liaison, which is responsible for building and maintaining relationships between the White House and various constituencies.

Republicans on the Senate Labor Committee are preparing a list of questions they want Herman to answer based on recently released White House documents on political fund-raising activities. They have decided to put off her confirmation hearing, possibly until late February, while they review her answers and those documents.

Among other things, the documents provide details about 103 coffees with the president organized by the DNC to help build a record campaign war chest for the Clinton-Gore reelection effort. Clinton, during a news conference Tuesday, defended the events as good and appropriate opportunities for him to meet with supporters and other constituents, but conceded that Ludwig should not have been invited to the one with 17 of the nation's top bankers.

According to the White House, the bankers' meeting was the only one of the coffees in which Herman or the Office of Public Liaison were involved. "Alexis and the OPL were non-players in the coffee business," said White House spokesman Joseph Lockhart, adding that Herman did attend about half a dozen others as the president's staff representative, but not in her capacity as public liaison.

Lockhart, in response to questions from The Washington Post, said Herman did set up the bankers' coffee in her public liaison role at the request of the White House political office. Herman added Ludwig's name and about half a dozen others to the list of invitees that had been prepared by the political office, not

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ALEXIS M. HERMAN

Born: Mobile, Ala.
Age: 49
Education: Bachelor's degree, 1969, Xavier University
Work history:

- Director, Women's Bureau, Department of Labor, during the Carter administration.
- President and founder, A.M. Herman & Associates in Washington, a marketing and management firm, 1980-91.
- Chief of staff and vice chairman, Democratic National Committee, 1988.
- Deputy chairman, Democratic National Committee, 1990-93.
- Chief executive, Democratic National Convention Committee, 1991-92.
- White House director of public liaison, 1993-present. Worked closely with then-DNC Chairman Ron Brown on the Clinton campaign.

knowing that the meeting was initially requested by the Democratic National Committee, Lockhart said.

Lockhart said Herman's office issued the invitations "based on a misunderstanding that this was an official event." Official events are considered nonpolitical by the White House. "She thought it would be appropriate [to invite Ludwig] to a meeting where people come and exchange views," Lockhart said.

Herman did not know until the weekend before the Monday meeting that DNC Chairman Donald L. Fowler and Marvin Rosen, DNC finance chairman, would be attending the meeting with the bankers, White House officials said.

Ludwig has said he did not recognize the DNC officials, and would not have attended had he known they were coming.

The bankers' coffee is just one of Herman's problems. Senate Republicans also are questioning a report Herman prepared for the president's reelection campaign outlining a political campaign for bolstering the president's support among African Americans.

Senate Majority Leader Trent Lott (R-Miss.) said Tuesday that plan comes "awfully close to the edge of violating the Hatch Act."

The Hatch Act is the federal law prohibiting certain political activities by government employees.

White House officials yesterday defended Herman against possible Hatch Act charges. Under guidelines issued by the White House counsel, political appointees may do political work, even during their normal work day, as long as they put in a 40-hour workweek on their government job.

McCurry, in his defense of Herman, gave a sample of just how the fight would go if the Republicans decide to block Herman's confirmation because of her role in developing the White House campaign tactics for attracting African American support.

"I can't believe that the majority leader would suggest that she's disqualified from serving as secretary of labor because she attempted to encourage African Americans to participate in the political process of this nation," McCurry said.

In raising questions about the Hatch Act on Tuesday, Lott appeared untroubled by other queries that have been raised by both Republican and Democratic critics of Herman's role in what have become known as the "midnight contracts" at the Labor Department during the final days of the Carter administration. In the days after the election of Ronald Reagan, the Labor Department awarded millions of dollars in contracts under the Comprehensive Employment and Training Program (CETA), much of it to groups including Jesse Jackson's Rainbow Coalition and the Martin Luther King Center.

A subsequent hearing by Senate Republicans cleared the department of any wrongdoing, but the controversy has resurfaced since Herman's nomination.

Lott told a press conference Tuesday that he was satisfied with answers Herman gave him about the contracts and her role at the department. "I feel like there's no problem there," Lott said.

FOR MORE INFORMATION

To read a month's worth of Post articles on the DNC campaign funds controversy, click on the above symbol on the front page of The Post's site on the Web at http://www.washingtonpost.com

The Washington Post
THURSDAY, JANUARY 30, 1997

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THE NEW YORK TIMES,
SATURDAY, FEBRUARY 1, 1997

Spotlight on Public Liaison Office

Nominee for Labor Post Is in Jeopardy Over Political Activities

By CHRISTOPHER DREW

WASHINGTON, Jan. 31 — When President Clinton's re-election campaign needed suggestions for political and civic leaders to invite to coffees with him, it called a small White House office charged with building public support for his policies.

And when top Administration aides wanted to woo ethnic voters last year, they asked the head of that office, Alexis M. Herman, and her assistants to meet — in off-duty hours — with Democratic Party officials and fund-raisers to plot detailed strategies.

These and other of Ms. Herman's activities revealed over the past week have raised questions on Capital Hill about whether she blended her official and political roles, and have put her nomination to be Secretary of Labor in jeopardy.

The White House has said that Ms. Herman, who has run its Office of Public Liaison since 1993, did nothing wrong. Today she visited the Senate majority leader, Trent Lott of Mississippi, to try to smooth things over.

Senator Lott said earlier in the week that he was concerned that some of Ms. Herman's activities might have come "awfully close to the edge" of Federal laws that limit the partisan activities of Government workers. After meeting with Ms. Herman today, the Senator said: "It was a good meeting. She answered a number of questions I had concerns about."

But he added, "I still think there is a lot of explanation needed."

The most controversial issue has been the role of Ms. Herman's aides in inviting a Federal bank regulator to meet with Mr. Clinton and some of the nation's most powerful bankers at a coffee meeting sponsored by the Democratic Party last May. White House spokesmen have said that Ms. Herman's office was involved only because of a miscommunication about the nature of the event, and that Ms. Herman decided not to go to the coffee after she learned it was being sponsored by party officials.

But the controversy has also focused a broader spotlight on the public liaison office, which promotes grass-roots support for the President's social and economic policies among ethnic, business and civic groups, and how the Administration has used it.

Several people who worked in that office in previous Administrations, both Democratic and Republican, said in interviews that officials of the liasion office have historically not had significant involvement with party operatives, especially during election campaigns.

Anne Wexler, who ran the liaison office under President Jimmy Carter and whose son works for Ms. Herman now, said she occasionally asked the Democratic National Committee if there were any donors it would like her to include in large groups — usually of 200 or more people — invited to White House briefings. But she said Mr. Carter rarely met with small groups, and her office was "never connected in any way with fund raising."

> 'A sensitive area' is the focus of public scrutiny.

Bobbie G. Kilberg, who was the liaison director under President George Bush, said people in her office "were not permitted to even talk to anybody in the campaign" to avoid any possible ethics concerns. She said all communications with campaign or party officials were routed through the White House political office.

Others who worked in the liaison office said it appeared that high-level Clinton Administration officials had prodded Ms. Herman and her aides to get more closely involved with campaign strategy than had been in the case in the past.

Frank J. Donatelli, who was a deputy in the liaison office when President Ronald Reagan ran for re-election in 1984, said this "is a sensitive area." He added: "If there is criticism, it shouldn't be just Alexis Herman that is singled out. You can't ignore the larger picture of what the White House was doing."

Indeed, the questions about Ms. Herman and her aides stem from the furor over Democratic efforts to raise huge sums of money by granting donors and other prominent people access to Mr. Clinton and by tapping new sources of money in ethnic communities, particularly among Asian-Americans.

The meeting with the bankers was one of more than 100 such coffees at which Mr. Clinton or Vice President Al Gore served as host in 1995 and 1996. And while many who attended the coffees did not make contributions, those who did gave a total of more than $27 million to Democratic candidates or organizations.

Ms. Herman, 49, has declined to grant any interviews while her nomination as Secretary of Labor is pending.

But Lanny J. Davis, a White House special counsel, said that any links that Ms. Herman or her aides had to the re-election campaign were "in substance neither inappropriate nor unusual nor in any way that we can determine illegal under the Hatch Act," the law that limits the political activities of Federal workers.

Mr. Davis also contended that some White House documents describing the work of the ethnic strategy groups contain "less that meets the eye." And he said that while Ms. Herman and her deputies discussed general political strategy during their off-hours with party fund-raisers, they never had anything to do with soliciting donations.

The White House has acknowledged that Ms. Herman attended a handful of the coffees with Mr. Clinton that included Democratic Party officials, although it said her office was not involved in arranging any others than the one with the bankers.

Documents made public by the White House also show that Ms. Herman led an informal group of Administration officials and party activists that was assigned to draft "a comprehensive blueprint for mobilizing the African-American community in 1996 to assure the re-election of President Clinton."

One of Ms. Herman's deputies, Doris O. Matsui, led a similar group focused on Asian-Americans that included John Huang, the former Democratic Party official who is now under Federal investigation for his fund-raising practices. The group's report contained a section on fun raising goals, but a White Hou spokesmen said today that it w inserted by Mr. Huang with virtu no involvement from Ms. Matsui.

White House officials also said t day that in response to requests fro campaign officials, people in M Herman's office also suggested th names of political, business and com munity leaders for possible invit tions to about 15 of the coffees wit the President.

One question in Congress is wheth er Ms. Herman or any of her sta members did anything improper i coordinating the strategy groups o suggesting who might be invited t the 15 coffees.

An Administration spokesma said the Clinton campaign recentl paid the White House $917 to cove the use of Office of Public Liaiso computers by two people wh worked on plans to reach out to eth nic groups.

But Mr. Davis, the special Whit House counsel, said White House em ployees were free to get involved i some political activities as long a they worked 40 hours in a week o official duties and did not use Gov ernment resources.

Joseph Lockhart, a White Hous spokesman, said that when Ms. Her man aides made the suggestions o people who might be invited to th coffees, they faxed them on specia machines in the White House tha were paid for by the campaign.

The Washington Post

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MONDAY, FEBRUARY 3, 1997

Meeting Peril at the Crossroads of Politics and Policy

Critics Question Whether Head of White House Liaison Office Overstepped Proper Role

A1

By Peter Baker
Washington Post Staff Writer

The mandate at the White House Office of Public Liaison is to generate public support for the president's programs and policies, which can be a tricky task given the tight restrictions federal law imposes on lobbying by government officials.

So over the years, a certain pattern has developed. Asking a friendly, million-member organization to blitz Capitol Hill with phone calls and letters is forbidden. Providing such a group copies of proposed legislation and noting which committee the bill will go to—and letting the organization figure out the rest—is acceptable.

If the lines between proper and improper have always seemed fuzzy for this small but important office, rarely has that been more so than today under its longest-serving director, Alexis M. Herman. Questions about her role in formulating campaign strategy and in White House coffees for financial benefactors of the Democratic Party have thrown a spotlight on the intersection between politics and policy in the Clinton White House and possibly jeopardized Herman's nomination to be secretary of labor.

As the president's bridge to constituency groups, the liaison's office has always been a political arm of the White House. But critics are asking if Herman elevated the politics to a new and more dangerous level.

"If I knew that was going on in the White House that I served in, I would have stopped it," C. Boyden Gray, who was President George Bush's chief counsel, said of involving the office in party-organized events. While everything a White House does is inherently political, he said, "To bring the money in, that's what would have made me very, very nervous."

Linda Chavez, who ran the office in President Ronald Reagan's second term, echoed those sentiments. "We were certainly trying to persuade people of the wisdom of the president's program," she said. "But it was not trying to get people to take out the checkbooks. When I was there, I can say there wasn't any of that."

Recently released records show that Herman, a former vice chairwoman of the Democratic National Committee, was actively involved in developing an election plan to use federal officials to tout Clinton's record in the black community. Her office also was responsible for inviting a top banking regulator to a DNC-sponsored meeting with banking executives, some of whom contributed to the DNC or the Clinton campaign.

As a result, the Senate has put her nomination on hold while it seeks answers to its questions, and a federal watchdog agency has opened an inquiry into some of her activities.

The White House maintains that the flap over Herman has been blown out of proportion and that her confirmation will be assured once she has a chance to clear up the senators' concerns. Senate Majority Leader Trent Lott (R-Miss.) told ABC's "This Week" yesterday that if Herman can document the explanation she gave him, "then I assume that she would be [confirmed], but I think it will take a little more time."

A White House official familiar with the workings of the liaison office said, "I'm certainly not going to sit here and tell you that in trying to build support for policies, it's devoid of politics." But by and large, this official said, Herman's shop tried to stay focused on specific issues and operate on a nonpartisan basis.

Clinton aides said the strategy paper she helped put together for the campaign was done within the guidelines of the Hatch Act, which regulates the conduct of political activities by government employees. And her involvement in the coffees was negligible, according to the official account; she did not organize any of the 103 sponsored by the DNC and attended just six of them.

The only reason her office invited Comptroller of the Currency Eugene A. Ludwig to a May 13 coffee with bankers, officials said, was because she and her staff mistakenly believed it was an official function, not a DNC affair.

However, the White House has acknowledged that, at the request of campaign officials, her office occasionally offered suggestions for possible guests to coffees for "political and community leaders." And while she has said she only learned of the DNC's involvement in the bankers' coffee the weekend before it occurred, she did not notify Ludwig and warn him away.

In modern times, presidents have always assigned aides to serve as liaisons to interest groups such as business, labor and ethnic minorities, but it wasn't until President Richard M. Nixon that any seriously contemplated institutionalizing the arrangement in a formal office. After Nixon's resignation, President Gerald R. Ford adopted the idea and set up the Office of Public Liaison in 1974.

The office has traditionally had a political complexion. Over the years, it has been headed by trusted presidential lieutenants who used the experience as a stepping stone to other political goals. Elizabeth Hanford Dole parlayed the office into two Cabinet positions in back-to-back Republican administrations. Faith Ryan Whittlesey, a former state legislator from Pennsylvania, went back to Switzerland as Reagan's ambassador. Mari Maseng Will was a top adviser to Robert J. Dole's campaign last year.

A few even sought elective office. Chavez left to make an unsuccessful run for the U.S. Senate in Maryland in 1986, while Bobbie G. Kilberg went on to lose a bid for the Republican nomination for lieutenant governor in Virginia in 1993.

There were times under some of those stewards that the office was accused of crossing the line. According to a former Republican White House official, one young aide in the Reagan-era office allegedly registered at a department store bridal registry to make it easier for lobbyists to give him gifts.

Herman brought the same kind of résumé to the job that her predecessors did. A longtime Democratic activist, she worked in President Jimmy Carter's Labor Department, helped put together Jesse L. Jackson's 1988 convention activities and essentially ran the DNC as then-Chairman Ronald H. Brown's chief of staff.

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In taking over the liaison office in 1993, Herman put together a staff that now includes 20 paid workers, plus interns, and has had a hand in the president's efforts to pass measures from the North American Free Trade Agreement to his failed health care overhaul to his deficit-reduction package.

She initiated semi-regular Wednesday afternoon sessions in her West Wing office to seek advice and counsel from some of Washington's most powerful private-sector operators, including Michael Berman, the prominent lobbyist; Jody Powell, the public relations executive and former Carter press secretary; and Anne Wexler, another lobbyist who, in the 1970s, was an early holder of Herman's office.

Like her predecessors, Herman and her office have organized hundreds of gatherings that brought the president or other senior policy officials together with industry or political leaders. During the NAFTA fight, she organized "Products Day" at the White House with Fortune 500 executives to tout the pact's possible benefits. During the health care campaign, she put together "Small Business Day," which assembled about 1,000 supporters of the president's program for a South Lawn ceremony.

The role is often informational. Last month, when Clinton announced he would propose larger Medicare reductions at the expense of health care providers, Herman's office sent fact sheets the same day to lobbyists for hospitals and other affected organizations and invited a group of them a few days later to discuss the matter with the White House aides who helped craft the policy.

"A lot of what they have done is basic briefings, to make sure we had the facts . . . and ability to hear their reasons for why they're doing what they're doing," said Richard J. Pollack, executive vice president of the American Hospital Association. "In the dealings we've had with them, never have the two [politics and business] crossed."

Yet from what she has read in news accounts, former liaison Kilberg finds the conduct of Herman's office to be "mind-boggling." During the Bush administration, she said, a "Berlin Wall" was set up between her office and campaign operations.

"You've got to be very careful when those lines are drawn," she said, "and not cross over them."

FOR MORE INFORMATION

To get profiles of Herman and all new members and appointees of Clinton's second-term Cabinet, click on the above symbol on the front page of The Post's site on the World Wide Web at http://www.washingtonpost.com

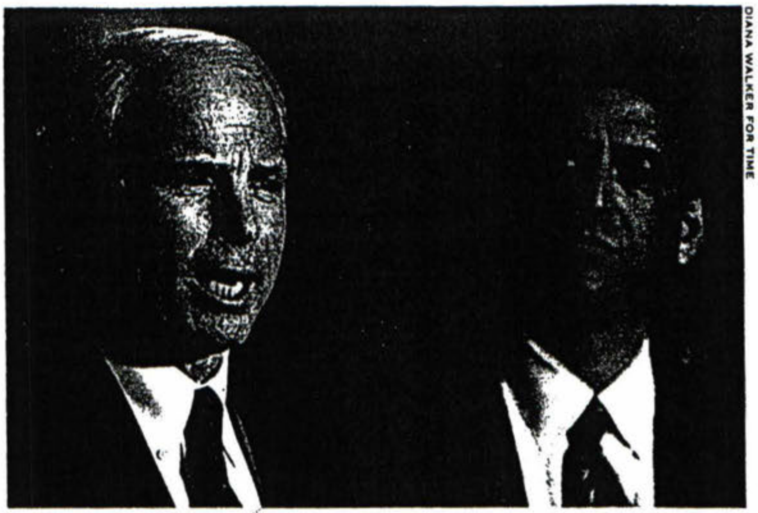
A LOOK AT THE LIAISON CHIEFS

In modern times, the White House Office of Public Liaison has been an important political arm of the president, responsible for building public support for his programs and policies—and, indirectly, for his campaign goals. Most of its directors have been trusted lieutenants to the presidents who appointed them, politically experienced operatives who ultimately moved on to other government or public policy jobs.

Name, term as liaison chief	Jobs held before liaison office	Jobs held after liaison office
Elizabeth Hanford Dole 1981-83	Commissioner, Federal Trade Commission; White House consumer affairs official	Labor secretary; transportation secretary; president, American Red Cross
Faith Ryan Whittlesey 1983-85	Pennsylvania state representative; attorney; ambassador to Switzerland	Ambassador to Switzerland; attorney; president, American Swiss Foundation
Linda Chavez 1985	Staff director, U.S. Commission on Civil Rights; editor, American Federation of Teachers journal	President, U.S. English; president, Center for Equal Opportunity; writer and commentator
Mari Maseng Will 1986-87	Reporter; press secretary in 1980 Dole campaign; Reagan speechwriter and assistant transportation secretary; vice president, Beatrice Cos.	Communications director, Reagan White House and 1996 Dole campaign; consultant, Maseng Communications public relations firm
Rebecca Range Cox 1987-88	Assistant transportation secretary; chief of staff to Sen. Ted Stevens (R-Alaska)	Chairperson, Interagency Committee on Women's Business Enterprise; vice president and lobbyist, Texas Air
Bobbie G. Kilberg 1989-92	Associate counsel to President Ford; attorney; coordinator, 1988 Bush campaign; attorney	Deputy assistant to the president for intergovernmental affairs; attorney
Alexis M. Herman 1993-present	Vice chairman, Democratic National Committee; founder, marketing and management firm; director, Women's Bureau of the Labor Department	Named by President Clinton to be labor secretary

four years pushing long-shot legislation to victory, including NAFTA and the crime bill; both were campaigns in which Clinton at various times turned squishy.

McCain-Feingold starts out this session as another long shot. But Feingold came away from the meeting upbeat: the President described fixing campaign finance as second only to balancing the budget. And McCain said Clinton promised to push for it "at every available forum," starting with his State of the Union address on Feb. 4.



DIANA WALKER FOR TIME

MCCAIN AND FEINGOLD came away from a White House meeting convinced that the President would push their bill, but they know it's still an uphill fight

It will take much more than a motivated President to pass McCain-Feingold. Its enemies are legion and passionate and constitute one of the most peculiar assemblies ever to conspire in Washington. As a cause, killing the bill unites the Christian Coalition with the American Civil Liberties Union, the National Right to Life Committee with the National Education Association. "We don't agree with the A.C.L.U. on very much, but we're going to work very closely on these issues," says Douglas Johnson, legislative director of the N.R.L.C..

Feingold refers to the ringleader of the resistance, Kentucky Republican Mitch McConnell, as "the Grim Reaper of campaign-finance reform." But majority leader Trent Lott is the key player, and he resists reforms like free TV time for candidates and public financing of campaigns, which he calls "food stamps for politicians." Feingold insists that Lott doesn't "want to be tagged as the person who killed campaign reform. He's leaving the door open." But privately, aides to the G.O.P. leadership say it's pretty well shut.

All this leaves McCain less than optimistic. The fact that his bill got 54 votes in this past session, almost all of them Democratic, doesn't mean much. Everyone knew it wouldn't pass, so it was a free gesture. "Let's accept the premise that Congress is not going to institute a reform that changes a system that dramatically favors incumbents," says McCain. "So what would make them change would only be public opinion and pressure. Some of us believe that pressure is strong and is going to get stronger as a result of the Thompson committee hearings. The question is, 'Is that pressure going to be strong enough?'"

If the President is serious, it will not be enough for him to slip an ad for reform into

BEHIND THE SCENES

Michael Duffy

How Huang Makes Two Hard Nominations Harder

SECRETARY OF STATE MADELEINE ALBRIGHT CHARMED JESSE Helms and breezed through the Senate last week, 99 to 0. So did Bill Cohen, the new Pentagon chief, who until a few weeks ago was a Republican Senator. That about wraps it up for the easy Clinton nominations. The White House parlor game of the moment is called "Tony or Alexis—which one goes down?"

Tony is Anthony Lake, the Massachusetts cattleman and college professor who ran the National Security Council for Clinton and is the President's choice to run the CIA. Alexis is Alexis Herman, the White House aide and longtime Democratic Party operative whom Clinton tapped to be Secretary of Labor. A former aide to Henry Kissinger, Lake is bookish and white. An ally of the late Ron Brown, Herman is glamorous and black. He's diplomacy and Mount Holyoke College; she's civil rights and Mobile, Alabama. On camera, where Lake can be quirky and anxious, Herman is cool and unflappable. And so it is all the more remarkable that two quite different people, nominated to do quite different jobs, now face an identical problem when their confirmation hearings begin. Republicans want to ask both nominees how much they knew about John Huang, the zealous Democratic Party fund raiser who made regular visits to the White House last year and whose network of foreign donors has led to a Justice Department investigation.

The problem is particularly sticky for Lake, who as NSC director is supposed to have known about potential diplomatic embarrassments and can never utter the words "I was out of the loop." But that is essentially Lake's defense. His team contends that Harold Ickes and Doug Sosnik, who ran the White House political operation, rarely asked the NSC to do background checks on the foreigners coming to the White House for some of the 81 coffees the President had last year with donors and backers. In previous administrations, a rigorous NSC investigation greeted every foreigner who came to the White House. But in the midst of the campaign, Ickes and Sosnik let the Democratic National Committee do the first round of vetting. If the D.N.C. didn't raise a flag, Lake was never alerted, which helps explain why a Chinese arms dealer was allowed through the White House gates to meet Clinton last year.

In three days of hearings next month, Lake will say that had he known, he would have prevented Chinese weapons trader Wang Jun from taking coffee with the President on Feb. 6, 1996, a meeting even Clinton said later was "clearly inappropriate." When it comes to blame, Lake may spare no one—not even White House chief of staff Leon Panetta.

As for Herman, Republicans want to know how much she knew about all the telephone tag being played between her his speeches. Among opponents of the bill are some of Clinton's strongest backers—and those on whom Al Gore will depend when he starts running for President the day after tomorrow. The teachers' unions, for example, contributed about $5 million last year to the Democratic cause. If Clinton is serious, he will need to persuade his allies that opposing reform is not in the nation's interests and to back off. If he is really serious, he may yield to Republican demands that labor unions, which spent $35 million in the last campaign, not be allowed to use mandatory union dues for political purposes.

Last spring, when McCain-Feingold was coming up for a vote, its opponents bombarded lawmakers with letters and faxes, including one by antiabortion activists warning that they would "score" this as a key pro-choice vote, since limits on campaign spending would restrict their ability to get a message out. Given the ever more conservative bent of the G.O.P. caucus in the Senate, that threat alone, if carried out again, would make it difficult to peel off Republican votes.

At the moment the most powerful ally of reform opponents is the Supreme Court. In *Buckley v. Valeo* in 1976 and in more recent cases, the court essentially equated campaign money with free speech and outlawed any efforts to restrict interest groups from pouring money into "issues" advertising that helps their chosen candidates. Unless the current court is prepared to overturn *Buckley*, it is possible that a constitutional amendment would be needed to restrict interest groups' spending. This is the approach of House minority leader Dick Gephardt, who as a likely presidential contender in 2000 has to weigh the benefits of reform against the risks of turning off the money spigot. "What we have is two important values in direct conflict: freedom of speech and our desire for healthy campaigns in a healthy democracy," Gephardt argues. "You can't have both."

Of course, passing an amendment and getting it ratified by the states would take years, but Gephardt insists that reform in the short term is necessary and that his embrace of a constitutional amendment is not a diversion. Others disagree. "There's only one description of a constitutional-amendment approach—cop-out," says McCain.

McConnell says he admires Gephardt and other amendment supporters for admitting that many reform schemes are unconstitutional. "At least they're being honest," says McConnell, who voted against an amendment to ban flag burning. "I like the debate about whether we ought to amend the First Amendment for the first time in history." It's a debate he's sure his side would win.

McConnell and his allies challenge the very premise that the problem with American politics is that there is too much money in the system. "We spent less in the 1994 election than consumers spent on bubble gum that year. We're not spending too much on campaigns in this country; we're probably not spending enough." Alternative approaches to reform would remove many of the caps on contributions and require strict disclosure of who is giving what to whom. Most of the G.O.P. leadership, including Lott and John Boehner in the House, supports disclosure over spending limits.

The happy prospect for Clinton is that no matter which direction Congress takes, he is likely to come out ahead. If by some chance public pressure and collective conscience prompt lawmakers to embrace reform, Clinton will claim it as a victory for his leadership. And if once again the reform bill gets buried beneath a filibuster, Clinton will be able to blame Republicans for refusing to clean up the system. In that case, the only big loser is everyone else. ***—Reported by James Carney/Washington***

Office of Public Liaison at the White House and the fund raisers at the D.N.C. Herman was in charge of "outreach" to various ethnic groups—an effort that White House documents show included fund raising in some cases. Republican Senators are particularly interested in Herman's relationship with Huang, the D.N.C. fund raiser who once worked for the Lippo Group of Indonesia and who made 76 visits to the White House, sometimes to see Clinton, sometimes to see Ickes and sometimes to see Doris Matsui, the woman in Herman's office who organized support from Asian Americans.


CYNTHIA JOHNSON FOR TIME

Herman may have known too much about Huang ...


BILL SWERSEY—GAMMA LIAISON

... whereas Lake may have known too little

By law, White House officials aren't barred from working on campaigns, but they aren't allowed to work on fund raising. Yet in several Clinton-Gore campaign-strategy documents produced by Herman's office and released last Friday by the White House, fund-raising plans are discussed in detail. In one document, a blueprint for organizing the "Asian Pacific American Community," the fund-raising section was written by Huang and dictated to a staff member in Matsui's office. It included a $7 million goal for donations from Asian Americans.

The White House leaked the documents pre-emptively last week to deprive Senate Republicans of an ambush at Herman's hearings. White House special counsel Lanny Davis admitted that some portions were produced in Herman's office, either on government time or on government equipment, but added that the Clinton-Gore campaign had recently reimbursed taxpayers for the cost. Davis could not say whether Herman had seen the documents, much less okayed them, before they were forwarded to Ickes last February.

Clinton has already fought for Herman once. AFL-CIO chief John Sweeney opposed her nomination last fall, favoring former Pennsylvania Senator Harris Wofford instead. Jesse Jackson personally lobbied Sweeney on Herman's behalf, but that isn't what changed the labor chief's mind; after a bruising role in getting Clinton re-elected, Sweeney simply wasn't in the mood for a fight. Now that Herman faces confirmation trouble, Clinton has turned to Washington lobbyists Michael Berman and Patrick Griffin to help shepherd her nomination.

A top White House official is worried that Trent Lott's Republicans are setting up two pins to knock one down. More likely, the G.O.P. will decide just to rough up both candidates a bit. If so, Herman has at least one advantage: one of her first accomplishments as a labor activist some 25 years ago was finding jobs for unemployed teenagers from Mobile—at a shipyard in nearby Pascagoula, Mississippi, where Lott's dad was a pipefitter. ■

ALEXIS HERMAN, BILL CLINTON'S NOMINEE FOR LABOR SECRETARY, IS UNDER FIRE FOR HER ROLE IN SHADY WHITE HOUSE FUNDRAISING. SURE, SHE'S GUILTY AS CHARGED—BUT THERE'S A LOT MORE TO THE STORY THAN THAT.

The ALEXIS NEXUS

BY BYRON YORK

On Friday, January 26, 1996, at 8:30 in the morning, Alexis Herman attended one of the now-infamous "coffees" held in the Map Room of the White House. Herman, whose title was White House director of public liaison—and who is now Bill Clinton's choice to be labor secretary—joined an impressive lineup. The president was there, as were Senator Christopher Dodd, co-chair of the Democratic National Committee, Don Fowler, the other DNC co-chair, Marvin Rosen, the party's top money-raiser, and big contributors like Dirk Ziff, a New York investment banker who gave $411,000 to the Democrats in 1995 and 1996.

Just the day before, on the 25th, Herman took some time out of her schedule for a 4:00 p.m. coffee. This one also included the president and some of those who had would attend the next day's meeting—plus more heavy donors, among them Pauline Kanchanalak, the mysterious Thai-American businesswoman whose family donated more than $526,000 to Democrats in recent years (much of that money was later returned by the DNC). And the month before, on December 13, 1995, Herman attended yet another coffee, again with the president, Fowler, White House political honcho Harold Ickes, and major donors like Leonard Barrack, a lawyer from Philadelphia who contributed $134,000 (and got a night in the Lincoln bedroom), and F. Kenneth Bailey and John Eddie Williams, two Texas lawyers who gave $457,700 between them.

BYRON YORK *is an investigative writer for* TAS.

Herman didn't just sit in on the gatherings; she helped arrange some of the more than 100 "coffees" that were at the heart of Bill Clinton's plan to use the White House as the main fundraising tool in his campaign for re-election (the coffees raised a total of $27 million). In addition to her help in the money chase, Herman—one of the highest-ranking blacks in the Clinton White House—snagged another top job in the Clinton campaign when she was put in charge of an unprecedented "outreach" program targeting a whole rainbow of voting groups: African Americans, Hispanics, Asians, the disabled, and others.

Today there are serious concerns about whether Herman's fundraising and minority vote-getting activities violated the Hatch Act, a law that bars some types of political activities—and specifically forbids fundraising—by administration officials. Her actions have caused concern on Capitol Hill, where the Senate Labor and Human Resources Committee will hold confirmation hearings. "There are a lot of members who are very uneasy about her confirmation," says a source within the Republican leadership. "There are plenty of unanswered questions, and if she gets sucked up into the whole aggressive White House fundraising situation, it's going to be cause for pause."

The pause came when Republicans put Herman's confirmation hearings on hold so they could investigate her political activities. But if critics focus single-mindedly on Herman's role in the White House fundraising machine, they might overlook the serious questions that exist about her entire career in Washington. Before she ever raised a dollar for Bill Clinton, Alexis Herman developed an impressive ability—sharpened by her longtime association with her two mentors, Jesse Jackson and the late Ron Brown—to exploit Washington's network of racial set-asides and insider deals to make herself wealthy. Mixing money and politics is not something Herman learned in the Clinton White House. It's something she's been doing all her public life.

WHEN A COMPANY—JACKSON'S TARGETS INCLUDED COCA-COLA, BURGER KING, AND THE SOUTHLAND CORPORATION, WHICH OWNS SEVEN-ELEVEN—CAVE IN AND SIGNED A "COVENANT" WITH HIM, THE REVEREND WOULD SUGGEST THAT A.M. HERMAN & ASSOCIATES BE HIRED TO "MONITOR" THE AGREEMENT.

The Set-Aside Set

Herman has been a major figure in black Washington for twenty years. Originally from Alabama, she first joined the federal government in 1977 as Jimmy Carter's choice to head the Women's Bureau in the Department of Labor. Ousted by the Reagan victory in 1980, she formed her own business, first known as Green-Herman and later as A.M. Herman & Associates. It was during that time that she began to take advantage of the affirmative action system that governs how business is done in Washington.

Herman's business partner was another departing Carter Labor Department official, Ernest Green. In the words of one glowing profile from the time, their firm specialized in "organizational effectiveness and developing corporate strategies for diversity, multiculturalism, career management, minority/disadvantaged business enterprise, community and public relations, and image enhancement." Even though that description nicely captures the jargon of the diversity business, it doesn't really present an accurate picture of what Green-Herman actually did.

A few years after the company was formed, a General Accounting Office study revealed that in the last days of the Carter administration Ernest Green rushed to spend more than $100 million in federal grant money before the Republicans could get their hands on it. Green was pushing the money out the window so fast that he sent telegrams to recipients—largely unions and interest groups that had supported Carter's re-election campaign—telling them to start spending the cash even before contracts could be signed. One of those contracts, for $2 million, went to Jesse Jackson's Operation PUSH.[1] Then, when Green and Herman left the government and founded their company, one of their first contracts came from Operation PUSH. It was a nifty deal, and it got Green-Herman off to a good start. (Ernest Green did not return several calls asking for comment. Herman declined to provide any specific answers to written questions submitted by *TAS*, but a White House spokesman said that "any allegations that Ms. Herman improperly benefited from her work as head of the Women's Bureau at the U.S. Department of Labor are untrue.")

In the 1980's, Ernest Green left the firm (he is now managing director at Lehman Brothers in Washington) and Herman changed the name to A.M. Herman & Associates. As she had with the original PUSH deal, Herman continued to benefit from her relationship with Jesse Jackson. During those years, Jackson used PUSH to threaten major corporations with boycotts unless they adopted quotas for black hiring and contracting—and also contributed to PUSH and related organizations. When a company—Jackson's targets included Coca-Cola, Burger King, and the Southland Corporation, which owns 7-Eleven stores—gave in and signed a "covenant" with Jackson, the reverend would suggest that A.M. Herman & Associates be hired to "monitor" the agreement. More business for Alexis. According to the financial disclosure form she filed upon entering the White House in 1993, Burger King was among the companies that paid significant "diversity consulting" fees to A.M. Herman & Associates.

Other corporations that bought Herman's services included Procter & Gamble, KPMG Peat Marwick, and Levi Strauss. Today, they are reluctant to say just what she did for their companies. "We really don't discuss our contract or business relationships," a spokesman for Levi Strauss said. "We do not discuss the details of work consultants provide to us," said a spokeswoman for KPMC Peat Marwick. "I think it may have been some work in the human relations area," said a spokeswoman for Procter & Gamble who was unable to provide any other details.

Curiously, on her financial disclosure form, Herman said she received no salary from A.M. Herman & Associates. She did say that she took a $21,974 "distribution" from the firm. And she listed six companies that, like Burger King and Procter & Gamble, paid her diversity consulting services fees of at least $5,000 each. In all, she estimated A.M. Herman & Associates' value at between $250,000 and $500,000. (Executive branch financial disclosure forms allow officials to list the value of assets within broad categories, like $250,000-$500,000. They are not required to reveal exact figures. And for the consulting work, Herman was simply required to list the companies who had paid her "compensation in excess of $5,000." It could have been far more.)

By the time Herman filed her next financial disclosure form, in May 1994, she said she had sold A.M. Herman & Associates several months after joining the White House staff. She wrote

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[1] Jackson, Herman, and Green go way back together. Green is something of a civil rights legend, having been one of the "Little Rock Nine," the first black students to attend Central High School after the *Brown v. Board of Education* decision in 1954. Herman has also known Jackson for years.

that she received between $50,000 and $100,000 for the company, but did not reveal to whom it had been sold. It is difficult to establish whether that information is correct. The District of Columbia Department of Finance and Revenue, which keeps records of business licenses and transactions, has no record of any sale involving A.M. Herman & Associates. Herman herself refused to answer a written question on the subject submitted by *TAS*. And her former assistant, Gloria Gutierrez, now a top Commerce Department official, abruptly terminated a phone inquiry on the subject. "I'm sorry, I do not talk to the press," she said. "A.M. Herman & Associates is long dead and buried. Thank you [hang up]."

Building a Fortune

By the mid-1980's, Herman had branched out from diversity consulting to take part in several Washington real estate deals. Two lines of her financial disclosure statement reveal particularly intriguing transactions. One lists her interest in something she calls the "Western Assoc. Ltd. Ptrshp." The other refers to her relationship with a company called the FTPM Partnership. Both entries refer to Herman's role in controversial, expensive, and highly political construction projects.

"FTPM Partnership" is the partnership that is now finishing the massive Federal Triangle building two blocks from the White House in downtown Washington. It is the biggest federal building project since the Pentagon, and it has a price tag to match: an estimated $720 million dollars, which is twice the original estimate and likely to rise before the final cost is tallied (in a deliciously perverse turn of events, this symbol of expanding government has recently been re-named the Ronald Reagan Building).

The building is the last remaining project in a 30-year campaign to fill several gaps along Pennsylvania Avenue. As late as the 1970's, the street, which was lined by grand government buildings on the south side, had stretches of shabby buildings along the north. The idea of turning Pennsylvania Avenue into a grand boulevard began in the Kennedy administration, where its primary proponent was a young Labor Department official named Daniel Patrick Moynihan. Work was slow, but by the time of the Nixon administration Moynihan and other likeminded Washington insiders had succeeded in creating a quasi-government entity called the Pennsylvania Avenue Development Corporation. The Corporation had the power to use government money to buy land along the avenue and hold competitions among developers who bid to build grand projects in the place of run-down storefronts.

By all accounts the process of buying the land and giving out contracts was highly political, even by Washington standards. Developers had to please the presidentially appointed members of the Corporation, but they also had to please the D.C. mayor—Marion Barry—who had his own say in the Corporation's decisions. Ever since being elected mayor in 1978, Barry had made it clear that developers would have to "pay to play." That meant developers—a mostly white group—would have to include minority partners in a project if they hoped to have any chance of winning a contract. Developers quickly realized that friends of Marion Barry were excellent candidates for inclusion. They became what are known as "face partners," which refers to minorities who are given a piece of a big real estate deal but play little role other than giving the undertaking an appearance of diversity.

Developers were also required to submit an affirmative action plan guaranteeing that a certain amount of the sub-contracts involved—sometimes as high as 35 percent—would go to minority firms. "What you need if you're going to develop a huge project like [Federal Triangle] is a politically connected minority contractor," says one observer intimately familiar with the commercial real estate scene in Washington. "It inoculates you from a whole variety of problems" with the local and federal governments.

That's where Alexis Herman came in. "She was connected to Ron Brown, to Jesse Jackson, and through them to Marion Barry," says the real estate observer. "She was wired." And she was also connected to Bob Mendelsohn, who was part of the development team that won the Federal Triangle contract. "I knew Alexis when we were both in the Carter administration," Mendelsohn says. "Ernie [Green] and Alexis formed a company to develop and implement affirmative action programs, and I began using them from the beginning." Mendelsohn paid Herman's company $600,000 to design an affirmative action plan for Federal Triangle. And he made sure that Herman's face was up front and center when it came time to take his case before the Pennsylvania Avenue Development Corporation. "I always had Alexis participate in our presentations because she did such an excellent job of articulating our affirmative action program," Mendelsohn says. "She is simply the best."

She was something more than that. By the time the contract competition was in its last stages, Herman had been hired by Brown to be the deputy chairwoman of the Democratic National Committee. Her political clout went up a few notches. And by the time she moved to the DNC, the competition for the Federal Triangle contract had become a fierce battle involving the city government, the White House, and Congress. Ostensibly hired to devise an affirmative action plan for the developers, Herman found herself traveling to Capitol Hill to lobby for Mendelsohn's team. Some in Congress thought it was inappropriate for a top DNC official—who wielded all sorts of DNC power, like the power to distribute party money to, say, the political campaigns of members of Congress—to lobby for her own business.

Mendelsohn denies he used Herman's clout. "I never asked her to do any lobbying," he says. Lobbying or not, Mendelsohn's team won the bidding. But other developers who bid on the contract became angry when they learned that Mendelsohn's winning bid was significantly higher than the losing proposals. Some felt that Herman had helped in a political fix that steered the job to her team. Certainly, those opponents thought, it wasn't her affirmative action plan that won the day. "I remember their affirmative action plan did not appear to have much substance," says a member of a team that bid for the contract but lost. "They had a couple of face people, but it did not involve hiring a lot of minority contractors." In response to a written question on the subject, a White House spokesman says only that "A.M. Herman & Associates' role in assisting the Federal Triangle project was proper."

The Federal Triangle project was reminiscent of Herman's role in an earlier Pennsylvania Avenue project. The phrase "Western Assoc. Ltd. Ptrshp" in her financial disclosure report is a short way of referring to Herman's interest in the development partnership that built Market Square, a few blocks down the street from Federal Triangle. For Herman, Market Square was an even richer deal than Federal Triangle; she valued her personal interest in the partnership at between $500,000 and $1,000,000.

MENDELSOHN PAID HER COMPANY $600,000 TO DESIGN AN AFFIRMATIVE ACTION PLAN FOR FEDERAL TRIANGLE. "I ALWAYS HAD ALEXIS PARTICIPATE IN OUR PRESENTATIONS BECAUSE SHE DID SUCH AN EXCELLENT JOB OF ARTICULATING OUR AFFIRMATIVE ACTION PROGRAM," MENDELSOHN SAYS. "SHE IS SIMPLY THE BEST."

A decade ago, Market Square was an empty lot on the north side of Pennsylvania Avenue between the Capitol and the White House. Today it is a massive granite-faced structure that rivals the massive granite-faced government office buildings across the street. Its semi-circular colonnade fronts one million square feet of office space, shops, restaurants, and condominiums.

The main developer of Market Square was another politically connected businessman named Herbert Miller. A few years earlier, he had solved his problems with another big development by giving equity cuts to several of Mayor Barry's closest cronies. The *Washington Post* reported that some were asked to put up $1,000 in return for interests that were worth hundreds of thousands of dollars; others were given a cut in return for nominal work. For Market Square, Miller's company worked in association with Mendelsohn. When it came time to bid for the contract, Mendelsohn knew that the Pennsylvania Avenue Development Corporation would demand minority participation. "Whether it was a goal or a suggestion or a requirement I don't recall," Mendelsohn says, "but [the Corporation] made it known to us that they were very interested" in adding minority partners to the project.

So he turned again to Alexis Herman. The developers gave her an equity stake in the project—3.3 percent of the deal—which Herman later valued at between $500,000 and $1,000,000. But the question is: Did she invest any money in the project? Did she perform some work equal to 3.3 percent of Market Square? Herman declined to answer a written question on the subject submitted by *TAS*. Mendelsohn responded to the question by saying, "I don't think it's material," but added that Herman might have gotten her stake in return for developing and overseeing an affirmative action plan for the project.

In the end, it doesn't matter how Herman ended up with her chunk of Market Square. The system required that face partners be involved, and she was there to provide the face. "She was worth the money," says a Washington real estate observer, "whether she did any work or not."

LIVING IN STYLE

In 1988, during the height of her involvement in local real estate projects, Herman took time out to work for Jesse Jackson's presidential campaign. She worked closely with Ron Brown—Jackson's campaign manager—and joined the Democratic National Committee when Brown took over the next year. During her time with the DNC, she remained head of A.M. Herman & Associates.

The party job had several benefits. First, the money was good. Herman's financial disclosure form says she was paid $144,681 in 1992—the year in which she planned and ran the New York convention. But the DNC position didn't just pay Herman a good salary; it also created new business for her at A.M. Herman & Associates. There is no doubt her connections to Brown and the DNC helped her tremendously, for example, in the Federal Triangle deal. And, according to an article in *U.S. News & World Report*, Brown also directed that DNC money be deposited in Adams National Bank, where Herman served on the board of directors.[2]

It wasn't long before there were reports that Herman was taking part in the big spending that characterized Brown's tenure at DNC. The *U.S. News* story reported the DNC paid several thousand dollars for expenses run up by Herman, including charges for home decorating. The party also paid a heavy price for her taste in limousines. During the Christmas-New Year holiday at the end of 1992, for example, the magazine reported that Herman spent $6,015 for limos, which included $754 in tips for her driver and $570 in car-phone bills. *U.S. News* also reported that the DNC moved Herman into a $4,000-a-month apartment on Central Park South while she planned the convention, and the magazine said the DNC paid several thousand dollars to cover expenses on Herman's personal American Express card.

Herman's financial disclosure statements reveal the kind of extensive credit card bills that faced the DNC. Her first statement in 1993 listed an American Express bill of between $10,000 and $15,000. Her next statement indicated that she had switched to a revolving credit card, again with a monthly balance between $10,000 and $15,000. By the next year, 1995, the monthly balance had grown to between $15,000 and $50,000, where it remained in 1996. Her statements also reveal a seven-year car loan between $15,000 and $50,000. And an unsecured loan between $15,000

[2]All in all, her 1992 income came to at least $209,618, and, given the vagueness of financial disclosure forms, possibly much more. Herman even listed $5,000 in income from a "charitable raffle" put on by the Baltimore alumni chapter of the fraternity Kappa Alpha Psi. (It is unclear whether Herman was paid for staging the raffle or winning it.)

and $50,000 from her business, A.M. Herman & Associates (the statement says the loan was repaid by 1994).

In addition, Herman at times carried mortgages on four houses: the Washington condominium where she lived, a rental house in a wealthy Washington neighborhood (although she called the home a rental property, listing its value at between $250,000 and $500,00, she said she received no income from the house), a vacation home at a resort in Basye, Virginia, and a house in her hometown of Mobile, Alabama. The mortgages totaled at least $250,000 and perhaps as much as $600,000.

Once in the White House, she sold her rental house to a friend, but there are questions about the circumstances of the sale. Herman said the transaction—which she placed between $50,000 and $100,000—took place on December 6, 1993. But real estate records in Washington indicate that the sale actually took place on January 31, 1995, and was for $366,000. In a later financial disclosure statement, Herman said that the buyer had assumed the mortgage, although real estate records indicate that the buyer took out his own mortgage in a different amount from Herman's original mortgage. In response to written questions from *TAS*, Herman declined to give any specific answers, but a White House spokesman said that "Ms. Herman's personal financial situation has been appropriately and properly disclosed."

Outreach for Dollars

Given Herman's connections, combined with her experience in Democratic fundraising—not to mention her eye for a sharp deal—Bill Clinton must have thought he had found the perfect person for the job of White House director of public liaison. In the job—a loosely defined position that in large part involved maintaining relations with the liberal interest groups that supported Bill Clinton for president—she could make use of all those contacts gained through Brown, Jackson, and the diversity business. (Those contacts even included Brown-like trade missions. See "Come Fly With Me," opposite.)

So it's not surprising that Clinton also turned to Herman when the time came to draft a plan targeting minorities for special voter "outreach" and fundraising. In January 1996, Herman received a memo from Harold Ickes directing her to develop a "national plan" and a "state plan" to win more black votes for Clinton. The first thing Herman did was to put together the White House "African American Working Group." She created a blueprint for a seamless operation in which the White House, the DNC, and the Clinton/Gore Reelection Committee would work together to win the black vote. She recruited staff from her own office plus others elsewhere in the government (including Rodney Slater, the head of the Federal Highway Administration who is Clinton's choice to be Secretary of Transportation).

Herman began her strategy with the assumption that Clinton had the black vote in the bag. "African American voters," she wrote, "are among the most consistent and loyal supporters of the Democratic party." The problem was, not enough of them voted, which meant that "turning out the vote will be the name of the game." Herman gave her African American Working Group three primary goals. The first was

Come Fly With Me

Alexis Herman was not only involved in the administration's unprecedented "outreach" program and use of the White House for fundraising. She was also intimately involved in another questionable use of government resources for fundraising purposes: Ron Brown's trade missions. Congressional investigators have long suspected that the missions functioned as Brown's payoff to corporations that had made big contributions to the DNC.

Newly released information shows that Herman had an integral role in the White House side of the missions. In a recent deposition taken by the legal watchdog group Judicial Watch as part of its lawsuit against the Commerce Department, James Hackney—who was one of Brown's closest advisers—says the organizers of Brown's missions got in touch with Herman to arrange for a presidential visit and send-off for each group of participants/contributors. The get-togethers, Hackney says, were "briefings about the country we were traveling to ... to give businessmen a sense of what they were going into." When asked why that required an appearance by Clinton himself, Hackney answered, "It was a nice thing to do, to say hello, we appreciate what you're doing."

There is little doubt that the trade missions were a reward to big donors—and an inducement for them to give more. Bernard Schwartz, the chairman of technology maker Loral Corporation, gave $100,000 to the party a short time before he was included on Brown's trip to China in September 1994. Lodwrick Cook of Atlantic Richfield also went on the trip; his company had contributed $201,500 to the Democratic National Committee in the previous two years. And officials of Occidental Petroleum found that their contributions of $109,024 got them not only on the trip to China but one to Russia as well.

Herman apparently liked the trade mission idea so much that she began to organize her own trips—for women only. In September 1995, she led a group of twenty-one businesswomen on a trip to London and Amsterdam. The women received first-class treatment—plus the attention of U.S. officials abroad. "We were guests at the ambassador's home in both countries," says one participant who was happy with the trip. "How do you put a price on something like that?"

In April 1996, Herman took representatives from seventeen women-owned businesses on a trip to Mexico. Like Brown's missions, this one turned out to be a profitable event for the Democratic National Committee. According to Federal Election Commission records, Caryliss and Vanessa Weaver, owners of a Potomac, Maryland diversity consulting firm who accompanied Herman on the trip, gave $50,000 to the DNC in November 1996.

Things were going so well that Herman was looking to travel more. Before she got the nod as labor secretary, she was planning to take another group of women on a trip in late February—to Paris and Milan.

—Byron York

to push Clinton's record. The second was to create get-out-the-vote projects. And the third was to "identify a cadre of contributors in the black community that will work for the President's re-election."

As part of her plan, Herman created another group, "African Americans for Clinton-Gore '96," and made Ernest Green—remember him?—the chairman. She wrote that as "an enticement to contribute," a group of well-to-do blacks would be invited to join yet another newly created organization, the African American Leadership Forum. Contributing members would "be afforded the opportunity to interact with senior Administration officials...through policy briefings, luncheons, and workgroups." In addition, Herman wrote that it was critical that the White House know which contributors were most deserving of "personal attention beyond...invitations to White House affairs."

Herman also recommended that the White House field a team of "surrogate speakers." They would be administration officials—including herself—who would spread Clinton's message before dozens of black-oriented conventions, meetings, and other gatherings around the country. Concerned about the Hatch Act, Herman wrote that the speech-making, as she envisioned it, would not technically qualify as campaigning:

> Agency surrogates will carry out these activities as part of their normal job duties in 1996. That is, they will be helping to educate the African American public and key interest groups about Clinton Administration accomplishments—not campaigning. However, we will aim to escalate the level of surrogate activity in the six weeks preceding each primary.

The last mission Herman set for her African American Working Group was simple: attack Republicans.

> In persuading African Americans to support the President in 1996, we have to craft the "right message." For example...pre-election focus groups of black voters in Virginia revealed that the main anger of blacks was directed at their number one enemy—Governor George Allen. Specific pieces of campaign literature were then crafted to highlight this fact. Thus, in the 1996 Presidential election, we might find that some blacks may well be more inspired to go to the polls in greater numbers to vote against the "enemies of civil rights" than *for* the Democratic candidate.

It would be a violation of the Hatch Act for Herman to devote an extensive amount of time to the Clinton campaign. Contrary to Herman's own memo cited above, White House officials insist that all this political strategizing and campaigning was done on Herman's own time—in addition to her full-time job as head of the Office of Public Liaison. And they say that government resources were not used to devise and implement the plan (although the White House did reimburse the taxpayers $917 for the computers used to write Herman's plan). As for her role in the White House fundraising "coffees," administration officials insist that Herman was not doing anything improper. Scandal spokesman Lanny Davis repeatedly told reporters that "there was no fund-raising activity organized by the White House or the OPL [Office of Public Liaison]."

The GOP's Call

Before anyone thought she might face a confirmation fight, Herman had to work hard just to win her nomination to be Labor Secretary. Nearly every national labor leader opposed her, and several believed she was not qualified for the job. Powerful Democrats on the Hill, including Ted Kennedy, the ranking minority member on the Labor and Human Resources Committee—backed former Pennsylvania Senator Harris Wofford instead. Yet many black leaders—chief among them Jesse Jackson—strongly supported Herman. The standoff put Bill Clinton in a tough spot: he had to choose between two of his most valued constituencies, organized labor and African Americans. When he chose the latter, it is safe to say that many in labor were incensed. "I think for any body who's a Democrat it's an appalling appointment," says one activist. "This was an affront to labor, which only spent $35 million on the Democrats last year."

Still, it is important to remember that at first Herman's confirmation prospects looked quite good. Although some Republicans privately said they had concerns about the Green-Herman contract scams and the Federal Triangle deal, they doubted those would be enough to cause Herman any serious problems. "Jim Jeffords is a bleeding heart Republican," said one observer of the Labor and Human Resources Committee chairman who will preside over Herman's confirmation hearings. "It will take a smoking howitzer to cause her any trouble." Perhaps Republicans didn't think Herman's background presented any serious questions, or perhaps they were afraid to appear to be hectoring a high-ranking black woman or violating the spirit of "bipartisan cooperation" on Capitol Hill these days; whatever the reason, Herman's nomination looked safe.

All that changed when revelations of Herman's fundraising and political activities came out in late January. At that point Republican sources began to talk openly of problems with the nomination. The committee decided to hold off on scheduling confirmation hearings until Herman responded to a set of detailed questions about her role in the fundraising and connections to John Huang and other figures in the growing scandal. And Ernest Green's name surfaced when the *Washington Times* reported that he played a major role in bringing a notorious Chinese arms dealer to the White House—and made a large contribution to the DNC immediately after the meeting.

In the end, Republican sources say, the Senate leadership will have to decide: Should they accept a slick operator like Herman, or should they sink her nomination and take the risk that a more effective liberal candidate will take her place? "She would be an extremely weak labor secretary, which wouldn't be a bad thing necessarily," one Senate aide says. Another Republican adds, "She may be a better nominee than Harris Wofford, who might be the backup if her nomination is tubed."

That strategy could be too clever by half. Republicans who underestimate Herman forget she was a major part of the Clinton re-election machine, which could hardly be called weak or ineffective. Herman's career proves she knows how to work the system. If Republicans want to change that system, confirming Alexis Herman will just make the job harder. ✱

TOTAL P.09

New Questions On Investments For a Nominee

By CHRISTOPHER DREW

WASHINGTON, Feb. 14 — In a new set of questions about the nomination of Alexis Herman as Secretary of Labor, a Senate committee is examining why she received an ownership interest now worth as much as $500,000 in a real-estate development here without investing any money, Government officials said today.

Ms. Herman was given an interest in the $200 million project on Pennsylvania Avenue in the mid-1980's when she ran a consulting business that worked to insure minority participation in that project and in other such ventures.

People involved in the deal said Ms. Herman, who is now a White House aide, was one of three minority business owners who received small interests in the project in what they described as a fairly typical effort to meet Federal affirmative action goals.

Ms. Herman was not a Government official then, and it was legal for her to accept part ownership in the project. But Senate Republicans are looking broadly at whether Ms. Herman, a long-time Democratic Party activist, ever blended her political activities with either her business dealings or her role at the White House, where she has directed the Office of Public Liaison since 1993. The office typically directs efforts to build grass roots support for President Clinton's social and economic policies.

The questions about the real-estate deal have added to the troubles facing Ms. Herman's nomination, which has become caught in the furor over fund-raising practices in Mr. Clinton's re-election campaign.

In another development, the White House acknowledged today that one

Continued on Page 10, Column 2

Continued From Page 1

of Ms. Herman's deputies, Doris O. Matsui, went too far in sharing an official Government list of more than 350 Asian-American leaders with Democratic Party strategists and fund-raisers early last year.

"We would say that this probably shouldn't have been done," said White House special counsel Lanny J. Davis.

Mr. Davis and other White House officials insist that Ms. Herman, who was a political appointee at the Labor Department in President Jimmy Carter's Administration and the chief of staff of the Democratic National Committee from 1989 to 1991, has done nothing improper in either her business dealings or her work at the White House. White House officials said they still expect her to win confirmation to succeed Robert Reich as Labor Secretary.

The Senate Labor Committee has held off scheduling hearings on the nomination, however. The Office of Special Counsel, an independent Federal agency, also is examining whether Ms. Herman or her White House assistants engaged in any improper political activities in helping the Democratic Party reach out to ethnic voters last year.

White House officials said the Senate Committee recently asked for information about Ms. Herman's involvement in the Pennsylvania Avenue redevelopment project, a huge office, retail and residential complex known as Market Square. The main developer, Herbert S. Miller, had close ties to the District of Columbia Mayor Marion S. Barry Jr., and one of the minority partners ran a public relations company that employed Effi Barry, then the mayor's wife.

One question on Capitol Hill is whether Ms. Herman was included in the project to take advantage of any ties she had to local or Federal Democratic officials.

Ms. Herman has declined to grant interviews while her nomination is pending. But White House spokesman Joseph Lockhart said Ms. Herman did no lobbying of any kind on the Market Square project. Henry A. Berliner Jr., an appointee of President Ronald Reagan who chaired a Federal corporation that oversaw the choice of the developer, also said she played no role in that decision.

Inviting members of minority groups to join such projects at little or no cost to meet affirmative-action goals "was pretty common in any program at that time that involved the Federal Government," Mr. Berliner said. Mr. Lockhart said Ms. Herman got involved in the Market Square project in 1984 through a friend, Robert Mendelsohn, who was working with Mr. Miller.

Mr. Mendelsohn helped Ms. Herman's consulting firm, A.M. Herman & Associates, win a $205,000 contract to oversee the hiring of minority workers and contractors at Market Square, Mr. Lockhart said.

She and the two other minority partners later were each given a 3 1/3 percent interest in a limited partnership involved in the deal. Several other people also received interests in that partnership without putting up cash, Mr. Lockhart said, but there were two significant differences. Most of the others had either invested money in the project in other ways or were employees of Mr. Miller who took the interests as part of their compensation. And the three minority partners were not subject to any calls to put up cash if it was needed, as the other limited partners were.

One result was that the minority partners initially were not eligible to share fully in any income from the project. When Mr. Miller decided to sell a 70 percent of the project in 1987, Ms. Herman and the other minority partners each received $50,000, or one-fifth of what others holding the same interest earned.

Since then, the restrictions have been eased, Mr. Lockhart said. And while Ms. Herman has never had to invest any money in the project, the value of her remaining holding of about 1 percent in the limited partnership has risen to possibly as much as $500,000.

Ms. Herman has listed her interest in the project on Government financial-disclosure forms since 1993 and estimated it was worth at least that much. But she was not required to give details on the forms of how she acquired the interest.

Mr. Lockhart said this was the only such project in which Ms. Herman ever received part ownership. But Ms. Herman's consulting firm also won a $500,000 contract in 1989 to create and monitor affirmative-action plans for the construction at the Government's new $1 billion Ronald Reagan Building here.

The financial-disclosure records show that in the early 1990's, Ms. Herman's company also did consulting work on diversity issues for Burger King, Procter & Gamble and Levi Strauss. She then sold the company after she took the White House job in 1993.

Ms. Herman's nomination ran into problems last month, when the White House disclosed that one of her assistants had invited a top banking regulator to meet with Mr. Clinton and some of the nation's most powerful bankers at a coffee sponsored by the Democratic Party. White House officials have said Ms. Herman's office was involved in setting up the coffee only because of a miscommunication about the nature of the event.

Mr. Miller, the developer who put together the Market Square real-estate project and still holds an interest in it, also attended one of the White House coffees last year, and he donated $50,000 to the D.N.C. three weeks later. Mr. Lockhart said Ms. Herman did not know that Mr. Miller was at the coffee. Mr. Miller, who has long contributed to Democratic candidates, was on vacation this week and unavailable for comment.

White House officials said that Ms. Matsui, a deputy to Ms. Herman at the White House Liaison Office, and others, including John Huang, the former Democratic fund-raiser who is under Federal investigation, used the list of Asian-Americans compiled by the office in providing Mr. Clinton's campaign with names of people who might want to help it court Asian-American voters.

The 20-page document contained the names of Asian-American civic, political and business leaders in 12 cities, and it was included in the files of Mr. Huang released by the Democratic National Committee. But Mr. Huang does not appear to have used it in his fund raising. Other records show that only eight of the people made donations that the D.N.C. credited to Mr. Huang's efforts.

The New York Times
SATURDAY, FEBRUARY 15, 1997

Quota Person

The more we look at President Clinton's nomination of Alexis Herman to be Labor Secretary the more we wonder what the White House could have been thinking. Amid a campaign-contributions maelstrom, they name a person—the director of the White House Office of Public Liaison—who is almost certainly at or near the eye of the storm (yes, we know, she was oblivious to it all, never came in contact, etc.). Now comes evidence of the rankest sort of quota-mongering by the person nominated to head one of the nation's most work-force-sensitive offices.

The White House tells us that the chart below was part of a larger memo created for and "in consultation with" a working group headed by Ms. Herman during her White House tenure. The memo is titled "Proposal to Enhance Administration Outreach to the African-American Community in 1996." Its existence was first reported by two weeklies, the Forward and Human Events.

Recommended African-American hires for '96 election cycle

	C/G STATE DIRECTOR	C/G PRESS SECRETARY	CC STATE DIRECTOR	CC POLITICAL FIELD DIRECTOR	CC GOTV DIRECTOR
Alabama					
Arkansas			Black		Black
California				Black	Black
Colorado					Black
Connecticut		Black			
Delaware					
DC	Black		Black	Black	Black
Florida				Black'	Black
Georgia				Black	Black
Illinois				Black	Black
Kentucky				Black	
Louisiana			Black		Black
Maryland	Black				Black
Massachusetts					
Michigan		Black			Black
Minnesota				Black	
Mississippi			Black		Black
Missouri		Black		Black	Black
Nevada				Black	
New Jersey		Black		Black	Black
New York			Black		Black
North Carolina			Black		Black
Ohio	Black			Black	Black
Oregon					
Pennsylvania				Black	Black
South Carolina	Black				Black
Tennessee				Black	Black
Texas		Black			Black
Virginia		Black		Black	Black
Washington				Black	
Wisconsin				Black	Black

Source: The White House

Now, it is obviously appropriate for the White House to reach out to the African-American community, and aggressively, in a Presidential campaign. What is striking about this chart is the programmatic mind-set it displays. Indeed, the chart is of a piece with the very same sort of document that in August laid out specific quota assignments for delegates to the Democratic convention—"adopt and implement affirmative action programs with specific goals and timetables for African Americans, Hispanics, Native Americans, Asian/Pacific Americans and women" (Review & Outlook, "The Quota Convention," 8/26/96).

One exculpatory response to all this might be that the Democrats' internal political arrangements are their own business. We agree. The more compelling image to emerge from these practices, however, is that of a party in thrall to its constituent factions' demands, no matter what moderate rhetoric is put out for broader public consumption. Indeed, it was widely reported that Mr. Clinton was under enormous post-election pressure in naming his Cabinet from "women" and "labor" and "minorities."

And yet once Ms. Herman is Secretary Herman we're supposed to believe that all this Democratic reality goes away, that the operative theory is "mend it, don't end it," and that in its formal submissions to the Labor Department Texaco won't have to produce a chart just like the one Alexis Herman generated for the Clinton-Gore campaign.

As cases like Texaco's show, the 1990s are turning out to be the decade in which our national controversy over race moves beyond the academy to reside in the corporation. Along with the EEOC, the Labor Department is at center stage. Labor's Office of Federal Contract Compliance Programs regularly polices most Fortune 500 companies on their affirmative action practices; through the federal contract connection, Labor has the power to regulate more than half of the economy. Precisely for these reasons, the Labor Secretary's job should go to someone with great judgment and sensitivity, two traits not obviously in evidence in this nominee.

THE WALL STREET JOURNAL
MONDAY, FEBRUARY 24, 1997

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:William White (WHITE_WI) (WHO)

CREATION DATE/TIME: 4-MAR-1996 16:57:16.54

SUBJECT:My Working Groups

TO:Lee A. Satterfield (SATTERFIEL_L) (WHO)
READ: 4-MAR-1996 17:46:14.87

TEXT:
Lee:
I've never called them working groups, but here are the folks most involved in putting together my outreach plans:
Disability: Becky Ogle and Fred Fay, both from Justice for All; Judy Heumann, Depart of Education; John Lancaster, President's Committee on Employment of Peoples with Disabilities; and Paul Miller, EEOC Commissioner.
Seniors: Mike Lux, Creative Development Group; Bob Blancato, WH Conf. on Aging; Moya Thompson, HHS; and Carolyn Moore, DNC

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:William White (WHITE_WI) (WHO)

CREATION DATE/TIME:21-MAR-1996 16:10:51.75

SUBJECT:Disability Working Group

TO:Lee A. Satterfield (SATTERFIEL_L) (WHO)
READ:21-MAR-1996 17:14:35.41

TEXT:
Lee,
In formulating the disability outreach plan, I received input from a number of key individuals. However, if I had to boil it down to a core group of individuals, what you called a Disability Working Group, I would include the following individuals:
* Fred Fay
* Becky Ogel
* Mike Lux
* Paul Miller
And obviously, I would be part of this Working Group as well.
If you need more information, please let me know.
Bill

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Ann T. Eder (EDER_A) (WHO)

CREATION DATE/TIME:13-JUN-1996 09:39:35.33

SUBJECT:Today's working group meeting

TO:Debra A. Schiff (SCHIFF_D) (WHO)
READ:13-JUN-1996 11:20:21.75

TEXT:
Doris Matsui will be having a working group meeting today at 5:00pm in the Ward Room. Those coming in will be:
Ed Fujimoto
Tom Keaney
Sharon Singh
William Kaneko
David Tseng
John Huang
Maria Haley
Ginger Lew

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Suzanna Valdez (VALDEZ_S) (WHO)

CREATION DATE/TIME:10-JUN-1996 13:30:22.58

SUBJECT:RE: list of Hispanic working group

TO:Janice A. Enright (ENRIGHT_J) (WHO)
READ:10-JUN-1996 16:17:29.30

CC:Ray Martinez (MARTINEZ_R) (WHO)
READ:12-JUN-1996 14:23:16.07

TEXT:
of course --
Secretary Cisneros
Secretary Pena
Maria Echaveste
Ray Martinez
Suzanna Valdez
Liz Montoya
Andy Hernandez
Grace Garcia
Aida Alvarez
Nelson Diaz
Katherine Archuleta
Jack Otero

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Suzanna Valdez (VALDEZ_S) (WHO)

CREATION DATE/TIME:11-JUN-1996 11:47:13.67

SUBJECT:RE: Hispanic working group

TO:Janice A. Enright (ENRIGHT_J) (WHO)
READ:11-JUN-1996 11:48:42.65

TEXT:

Sec. Cisneros
Sec. Pena
Maria Echaveste -- DOL
Ray Martinez -- WH
Suzanna Valdez -- WH
Liz Montoya -- WH
Andy Hernandez -- DNC
Vicki Rivas-Vazquez -- WH
Aida Alvarez -- HUD
Nelson Diaz -- HUD
Katherine Archuleta -- DOT
Grace Garcia -- DOI

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Suzanna Valdez (VALDEZ_S) (WHO)

CREATION DATE/TIME:20-MAY-1996 15:13:00.29

SUBJECT:Grace Garcia

TO:Ruby G. Moy (MOY_R) (WHO)
READ:20-MAY-1996 16:17:25.26

TO:Holly Carver (CARVER_H) (WHO)
READ:20-MAY-1996 15:15:24.14

CC:Lee A. Satterfield (SATTERFIEL_L) (WHO)
READ:20-MAY-1996 15:15:46.20

TEXT:
FYI:
If Alexis receives any calls, in the next couple of days, re:
Deputy to Alan; the Hispanic Working Group is recommending Grace
Garcia. She has been informed, but may need to be reminded.
Thanks.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Suzanna Valdez (VALDEZ_S) (WHO)

CREATION DATE/TIME:20-MAY-1996 11:41:37.75

SUBJECT:Hi --

TO:Ray Martinez (MARTINEZ_R) (WHO)
READ:20-MAY-1996 12:05:14.19

TEXT:
Can we get together today to address several issues. In case I forget:
1. Alan
2. PR CEO Group
3. PR legislation
4. PR list for the 28th
5. Hisp working group
I have a 12:00p -- but I should be back very soon after that.
Some of these are time sensitive and chisme sensitive.
Thanks.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Robert B. Johnson (JOHNSON_R) (WHO)

CREATION DATE/TIME: 3-JUN-1996 18:49:51.12

SUBJECT:Working group meeting

TO:Ruby G. Moy (MOY_R) (WHO)
READ: 4-JUN-1996 12:50:19.28

TEXT:
We are having a dificult time getting everyone togehter for the meeting at 11:00 am. We will have to reschedule. Thanks.
Ben

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Holly Carver (CARVER_H) (WHO)

CREATION DATE/TIME: 8-MAR-1996 17:00:08.20

SUBJECT:Young AA

TO:Robert B. Johnson (JOHNSON_R) (WHO)
READ: 8-MAR-1996 18:45:30.08

TEXT:
During a meeting on Wed. there was a discussion about how to best reach out to young AA. Rodney suggested bringing in the Anacostia basketball champs. There are two questions that are raise w/regard to that:

1) It would set a president for bringing in city champs which we havn't done in the past
2) Do we want to use a sports team as the vehicle for getting POTUS with AA youth

Alexis would like you to add this to the agenda for the next AA working group meeting so it can be discussed and developed.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Richard Hayes (HAYES_R) (WHO)

CREATION DATE/TIME:17-JUN-1996 10:23:54.17

SUBJECT:Materials

TO:Eric Eve (EVE_E) (WHO)
READ:17-JUN-1996 10:33:17.84

TEXT:
Eric, do you have the materials you were going to give me on Friday? I am putting together a list of items for the A.A. working group meeting on Wedneseday -- any suggestions?

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Robert B. Johnson (JOHNSON_R) (WHO)

CREATION DATE/TIME: 5-FEB-1996 15:46:18.55

SUBJECT:Photo Op for Sports Figures

TO:Daniel Wexler (WEXLER_D) (WHO)
READ: 5-FEB-1996 16:00:53.19

CC:Lee A. Satterfield (SATTERFIEL_L) (WHO)
READ: 5-FEB-1996 16:14:57.04

TEXT:
Dan
What is the latest information on this photo op? According to Cabinet Affairs it has been handed off to us. It would be useful to have Alexis and members of the African American Working Group meet with them to solicit their assistance for 1996. We are also interested in releasing a group photo to minority media outlets. Please advise. Thanks.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Richard Hayes (HAYES_R) (WHO)

CREATION DATE/TIME:17-JUN-1996 13:17:32.12

SUBJECT:VPOTUS Meetings/Travel

TO:Karren E. Skelton (SKELTO_K) Autoforward to: Remote Addressee
READ:NOT READ

CC:Thurgood Marshall (MARSHA_T) Autoforward to: Remote Addressee
READ:NOT READ

TEXT:
Karen, the African American working group is meeting on Wednesday, Jun 19, 1996 and I am trying to put together a 30-day calendar of POTUS/VPOTUS events (i.e.,travel, speeches, meetings, etc.), that would be of interest to african americans. Is there anything on the VPOTUS' schedule that we should include?
Thanks.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Robert B. Johnson (JOHNSON_R) (WHO)

CREATION DATE/TIME:13-JUN-1996 08:40:07.97

SUBJECT:Meeting with Black Advertisers

TO:Eric Eve (EVE_E) (WHO)
READ:13-JUN-1996 09:42:50.04

CC:Douglas B. Sosnik (SOSNIK_D) (WHO)
READ:13-JUN-1996 09:19:12.05

CC:Harold Ickes (ICKES_H) (WHO)
READ:NOT READ

CC:Alexis Herman (HERMAN_A) (WHO)
READ:NOT READ

CC:Ruby G. Moy (MOY_R) (WHO)
READ:13-JUN-1996 08:49:30.37

TEXT:
This is to advise you that we had a good meeting last night with the advertisers selected to assist us. The meeting was held at the DNC and was chaired by Minyon Moore. The advertisers will give a presentation on their proposal this morning at 10:00 am in room 472 OEOB. The African American Working Group has been invited to hear the presentation. Per our discussion, please contact the appropriate people (Penn & Schoen, Ann Lewis, etc.)and ask them to attend this session. We have already invited Alan Wheat. Thanks.
Ben

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Richard Hayes (HAYES_R) (WHO)

CREATION DATE/TIME:12-SEP-1996 07:39:15.42

SUBJECT:Meeting Room

TO:Brian Scott (SCOTT_B) (WHO)
READ:12-SEP-1996 08:18:27.17

CC:Robert B. Johnson (JOHNSON_R) (WHO)
READ:12-SEP-1996 09:44:43.07

TEXT:
Brian, will you please check and see if 180 available for a meeting today at 3 p.m. for five people (Ben, Harold Gist, Charles Duncan, Carol Willis, and myself). Also, we need 180 Monday at 4 p.m. for a working group meeting. Thanks.
p.s. I talked to Gist about the 3 p.m. today, but have not contacted anyone else. Will you please handle? Thanks.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Richard Hayes (HAYES_R) (WHO)

CREATION DATE/TIME:13-JUN-1996 09:00:24.74

SUBJECT:RE: Meeting

TO:John O. Sutton (SUTTON_J) (WHO)
READ:13-JUN-1996 09:08:37.76

TEXT:
Yes, I will be there. The Black Advertisers are coming in to make a presentation to the African Ameican working group and to Harold (if he can make it, Ann Lewis, Doug sosnik, etc.)

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Richard Hayes (HAYES_R) (WHO)

CREATION DATE/TIME: 5-AUG-1996 10:14:30.30

SUBJECT:Meeting

TO:Eric Eve (EVE_E) (WHO)
READ: 5-AUG-1996 10:40:02.23

TEXT:
Do you want to get together with Harold Gist sometime before our Wednesday meeting of the working group? Let me know.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Robert B. Johnson (JOHNSON_R) (WHO)

CREATION DATE/TIME:23-OCT-1996 19:00:44.39

SUBJECT:CONFERENCE CALL

TO:Ruby G. Moy (MOY_R) (WHO)
READ:23-OCT-1996 19:10:52.88

TEXT:
I HAVE NOT TALKED TO ALEXIS ....I DON'T KNOW WHAT CALL SHE IS REFERRING TO. THE CALL THIS MORNING WAS TO DISCUSS SEVERAL WORKING GROUP RELATED ISSUES.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Robert B. Johnson (JOHNSON_R) (WHO)

CREATION DATE/TIME:21-MAR-1996 15:44:03.47

SUBJECT:FYI

TO:Alexis Herman (HERMAN_A) (WHO)
READ:NOT READ

CC:Ruby G. Moy (MOY_R) (WHO)
READ:21-MAR-1996 17:08:58.45

TEXT:
I just got off the phone with Minyon and Ernie. both have been called by Mike Frisbie of the Wall Street Journal, inquiring about the African American Working Group. He may have already tried to call you. People are uncomfortable having Holly in the Working Group meetings. Richard and I can staff it. I need to discuss this with you later.
Topics for Friday's meeting are:
Lottie is going to ask about the Cabinet Secretaries meeting with Ron, Hazel, Jesse.
Advertisers meeting discussion...Minyon
Time table for African Ammerican roll out. Ernie
Frisbie Article in Wall Street journal.
Carol Willis time table for joining Re-Elect
Review of African american Coffee recommendations.
Upcoming Events.
Ben

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Richard Hayes (HAYES_R) (WHO)

CREATION DATE/TIME:24-JUL-1996 07:46:53.19

SUBJECT:RE: OPL Management Meeting

TO:Ruby G. Moy (MOY_R) (WHO)
READ:24-JUL-1996 11:55:47.13

TEXT:
Ruby, I will not be there. There is an african american working group meeting which I need to attend. Richard

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	[Personally Identifiable Information] [partial] (2 pages)	09/10/1996	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 9315

FOLDER TITLE:

Constituency Working Groups: Ethnic-American Working Group [1]

2019-0774-S
rs3395

RESTRICTION CODES

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

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

- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
- RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR:Brian Scott (SCOTT_B) (WHO)

CREATION DATE/TIME:10-SEP-1996 09:10:40.64

SUBJECT:fyi

TO:Robert B. Johnson (JOHNSON_R) (WHO)
READ:10-SEP-1996 09:14:18.10

TEXT:

==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE: 9-SEP-1996 21:14:00.00

ATT BODYPART TYPE:B

ATT CREATOR:Mail Link Monitor

ATT SUBJECT:CONFIRMATION: APPT. REQUEST FOR JOHNSON, ROBERT B

ATT TO:Brian Scott (SCOTT_B)

TEXT:
FROM: WAVES OPERATIONS CENTER - ACO: ANDREA GLOVER
Date: 09-09-1996
Time: 21:15:18
This message serves as confirmation of an appointment for the
visitors listed below.
Appointment With: JOHNSON, ROBERT B
Appointment Date: 9/11/96
Appointment Time: 9:00:00 AM
Appointment Room: 180
Appointment Building: OEOB
Appointment Requested by: SCOTT BRIAN
Phone Number of Requestor: 66287
Comments: AF-AM WORKING GROUP ** ADMIT XX W/O ESC PER SGT PEARSON
WAVES APPOINTMENT NUMBER: U40723
If you have any questions regarding this appointment,
please call the WAVES Center at 456-6742 and have the
appointment number listed above available to the
Access Control Officer answering your call.
****
TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 17
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 17
****
CARTER, TED
GIST, HAROLD
GREEN, ERNEST
HODGE, MILLICENT
LESTER, RONALD
LEWIS, RETA
MAYS, RICHARD
MERCER, DAVID
MOORE, GREG
MOORE, MINYON
PETERS, DARREN
ROBINSON, DEVONALU
SHACKELFORD, LOTTIE

(b)(6)

SLATER, RODNEY
WHEAT, ALAN
WILLIAMS, DARREN
WILLIS, CAROL

(b)(6)

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