

RESPONSES OF ALEXIS HERMAN
TO QUESTIONS OF
SENATE LABOR AND HUMAN RESOURCES
COMMITTEE

FEBRUARY 27, 1997

A. Office of Public Liaison

- 1. Please provide a complete list of all individuals who have worked at the Office of Public Liaison since 1993, a brief description of their responsibilities, their tenure, and the source of their salary, if any.**

Attached is a list of White House employees as well as other individuals who were paid by an entity other than the White House while working in the Office of Public Liaison (OPL). This list does not include interns and those volunteers who, to the best of my knowledge, were unpaid by any source.

- 2-4. If any of these individuals were not federal employees, please indicate why they were selected and who was responsible for "recruiting" them. Also, please indicate who in OPL approved their assignments. Please provide any communication, faxes, e-mails, or notes or records of such communication, relating to the recruitment and placement of these individuals.**

If any of these individuals were not federal employees, please indicate who in their sponsoring organizations approved their full-time assignment to the White House.

If any of these individuals were not federal employees, and their salaries were paid by a non-Federal entity, please provide their job description and the name of their supervisor(s) at the organization which paid their salary, if any.

Answer to Questions 2 thru 4:

I am aware of 6 individuals in OPL paid from a non-federal source since 1993: Maria Garza, Joseph Hernandez-Kolski, Barbara Woolley, Caren Wilcox, Melissa Murray and Peter O'Keefe.

Ms. Garza and Mr. Hernandez-Kolski both came to the White House under the Intergovernmental Personnel Act. Ms. Garza was paid by the Council of La Raza, and the approving official at the Council was Raul Yzaguirre. Ms. Suzanna Valdez was the OPL requesting official and I approved the request. Ms. Garza was involved in Hispanic outreach and policy work on issues concerning the Latino community. Mr. Hernandez-Kolski was paid by the Hispanic Association of Colleges and Universities, and Laudelina Martinez was the approving official. Mr. Steve Hilton both requested and approved the appointment. Mr. Hernandez-Kolski was involved in Hispanic outreach.

After working from January through May 1993 on the Health Care Task Force, under a contract paid by Health and Human Services, Barbara Woolley worked as an unpaid volunteer for 11 months in OPL doing health

care related outreach, primarily for Marilyn Yager. Following that volunteer service and due to both Ms. Woolley's valuable contributions to OPL and the volume of work, we wanted to keep her in OPL, but there was not a White House slot. As a result, both Marilyn Yager and I looked for other alternatives. Marilyn Yager talked with Harold Ickes who suggested that the DNC could pay Ms. Woolley's salary and called the DNC to ask that they do so. It is my understanding that Robert Watson, Deputy Director of the DNC, approved the payment of her salary. Ms. Woolley continued to do the same work — outreach for health care, women, agriculture, tobacco and rural issues. She did not have a supervisor at the DNC.

Caren Wilcox worked on business outreach on a number of issues, including health care reform, at the DNC. I asked her to come to the White House in the Spring of 1994 to continue work on health care. Melissa Murray worked with Ms. Wilcox at the DNC and later came to the White House to work with Ms. Wilcox. Neither Ms. Wilcox nor Ms. Murray had a supervisor at the DNC and it is my understanding that Robert Watson and/or Debra DeLee, Executive Director of the DNC, approved the payment of their salaries.

Mr. O'Keefe had worked at the DNC and was interested in working on business outreach at the White House. From April 1996 until September 1996, Mr. O'Keefe was paid by the DNC for that work until he was put on the White House payroll. It is my understanding that Brad Marshall, DNC Chief Financial Officer, approved his assignment.

5-7. Was Ms. Woolley considered exempt or non-exempt by the DNC for FLSA purposes?

If she was considered exempt, what was the basis for such exclusion in light of the actual duties she performed for her employer?

If she was considered non-exempt, did the DNC comply with the record keeping, minimum wage, overtime, and other regulations of the Fair Labor Standards Act?

Answer to Questions 5 thru 7:

Although it is not clear under the FLSA that the DNC would necessarily be the employer of Ms. Woolley, it is my understanding that the DNC would consider Ms. Woolley exempt under the FLSA. Ms. Woolley would be exempt on the basis of her salary, her duties as described in answers to

Questions A.2 and A.9, and the discretion and independent judgment exercised by Ms. Woolley.

8. The Committee understands that Ms. Woolley was assigned to OPL pursuant to a March 1987 Office of Legal Counsel memorandum. That memorandum calls for a case-by-case determination of whether such assignment would comport with relevant regulations. Please describe and document the determination to engage Ms. Woolley's services.

The White House sought, and Ms. Woolley provided, a confidential financial disclosure form. The Counsel's Office reviewed the disclosure form and determined, based on the information in her completed form and her job duties at OPL, that there were no conflicts which would preclude Ms. Woolley from working in OPL.

9. Please describe Ms. Barbara Woolley's involvement with the constituency outreach efforts of the Office of Public Liaison.

Ms. Woolley's involvement in constituency outreach efforts in OPL included setting up meetings and briefings and coordinating Presidential messages on issues of importance to the constituency groups with whom she worked. Ms. Woolley worked on outreach to groups concerned with health care, women, tobacco, agriculture and rural issues. She was not involved in the constituency outreach plans discussed in Questions A.28-29.

10. Please describe the "At the Table" project conducted by Ms. Betsy Myers at OPL.

The "At the Table" program was developed by the Women's Office in the fall of 1995. The program encourages women Administration appointees traveling back to their home states to bring together women in their communities for roundtable discussions of issues of concern to women, to carry the women's concerns to the White House, and to explain Administration policies, initiatives and accomplishments that are of particular interest to women. Although the White House Women's Office initiated and facilitated the program, the individual roundtable discussions were organized by Administration appointees and those local women in the communities who volunteered to host the discussions.

- 11-12. Was guidance sought or given as to how the "At the Table" project comported with the Standards of Ethical Conduct for the Executive Branch, the Hatch Act, or other applicable law or regulation? Please provide any communication, or notes or records of such communication, relating to any such inquiry or determination.

Did White House Counsel take the view that general outreach efforts by political appointees constitute official duties for any political appointee in any agency, regardless of whether the agency initiated such effort to discuss an agency related matter?

Answer to Questions 11 thru 12:

The "At the Table" program was conducted as part of the official outreach responsibilities of the Women's Office. It is my understanding that the Women's Office sought legal guidance from the White House Counsel's Office with respect to the Hatch Act and other applicable standards. Advice was provided by the White House Counsel's Office, consistent with the attached Memoranda for Women Appointees from Betsy Myers dated February 7, 1996, and March 13, 1996. Both the February 7 and March 13 memoranda make clear that: "At the Table is not a political activity and may not be used as such." The advice is also contained in a legal memorandum of the White House Counsel's Office that constitutes attorney-client communications. The document has not been included in order to protect its confidential nature. I am also aware that legal advice was provided by the Commerce Department and a copy of that advice is attached.

- 13-14. Were concerns raised with the White House Counsel or other offices within the White House in connection with Ms. Myers or the "At the Table" project? When and by whom?

What was the response to any such concerns?

Answer to Questions 13 thru 14:

When the "At the Table" program was initiated, the Women's Office and others involved in the program raised a question as to whether it was appropriate for Administration officials to participate as part of their official responsibilities. The White House Counsel's Office and the Commerce Department also provided advice as described in response to Questions A.11-12.

In June 1996, following press reports about the "At the Table" program, the White House Counsel's Office provided additional guidance to White House officials as to which travel and events were considered "official" and which would be considered "political." In this connection, the Counsel's Office provided further guidance on the criteria for official functions.

- 15-17. Were the names of participants in the "At the Table" events entered into one or more databases?**

If so, were the names maintained by the sponsoring agency, the White House, or some other entity?

If the names were maintained in a database, to what purpose were they actually or intended to be put?

Answer to Questions 15 thru 17:

It is my understanding that the names of the participants were not entered into WhoDB or any other database. Instead, the Women's Office maintained a list of the participants on a computer disk, which was provided to the White House Office of Correspondence to send thank you notes to the participants. To process the thank you notes, it is my understanding that the Office of Correspondence used a mail merge program. The Women's Office also used the list to assist in further outreach efforts and to keep the participants informed about issues of particular interest to them.

- 18. Who in the Office of Public Liaison had access to the WhoDB?**

Attached is a list of OPL individuals who had WhoDB accounts.

- 19-21. Who, if anyone, from the Office of Public Liaison was responsible for entering data into WhoDB?**

Who, if anyone, from the Office of Public Liaison was responsible for ensuring that data entered into WhoDB was accurate?

What type of data was provided by and/or entered into the database by staff at OPL (i.e., occupation, demographics, party status, early supporter, etc.)?

Answer to Questions 19 thru 21:

To the best of my knowledge, no one in OPL was generally designated as being responsible for regularly entering data into WhoDB. I am aware that sometime after the WhoDB system was set up in the fall of 1994, OPL staff provided the WhoDB team with constituency lists containing names, addresses, phone and fax numbers and group identification. The information, on occasion, would also concern events and issues, *e.g.*, education or health care. My understanding is that if OPL staff had information they wanted to add to the WhoDB, either they could give it to the WhoDB team to input or someone from OPL with WhoDB access could input the information, as may have happened on occasion. In addition, in the summer of 1995, interns from OPL -- and interns from all offices within the White House -- assisted the WhoDB team in cleaning up the information. Also, in connection with the 1996 holiday card mailing, an OPL staff member entered names and addresses for new individuals who were to receive the holiday card. I am not aware that any particular individual from OPL was responsible for the accuracy of the data entered into the WhoDB.

22. Was any of this information shared by OPL staff, interns, or volunteers with any non-governmental entity?

The White House Counsel's Office provided guidance that, other than publicly available materials and information, White House information may only be used for official purposes. Thus, it is my understanding that individuals from OPL could provide information from WhoDB to non-governmental entities consistent with the guidance on use of government materials for official matters. I am not aware, however, of any instance in which anyone from OPL either provided information from WhoDB to any non-governmental entity or violated this guidance.

23. OPL has been described as "a conduit between the President and constituencies, listening to the concerns of such groups, communicating the President's message to them, and building grassroots support for the President's initiatives." Please describe how the trade missions to Europe and Mexico helped to fulfill this mission.

OPL did not organize any trade missions. All Clinton Administration trade missions of which I am aware were organized by the Department of Commerce. In my capacity as a senior White House official and at the request of the Department of Commerce, I led two trips organized by the Department around the concept of women entrepreneurs -- one of the constituency groups served by OPL. I led these two "Women in Trade" Business Development Missions to London and Amsterdam in September

1995 and to Mexico City and Monterey in April 1996. My staff helped me in these endeavors, and we suggested to Commerce the names of some proposed participants.

The Department of Commerce's Office of Export Promotion Coordination (OEPC) developed the concept of "Women in Trade" Business Development Missions in order to increase the number of American companies owned by women that participate in the global marketplace. OEPC sought to recognize that women-owned businesses were the fastest growing segment of the small business economy. OEPC's concept included demonstrating the Administration's commitment both to increasing exports and to empowering women-owned companies.

24. Please provide a list of invitees and participants in trade missions organized by OPL.

As noted in response to Question A.23, OPL did not organize any trade missions, though I led the two "Women in Trade" Business Development Missions. For the convenience of the Committee, the lists of participants in the missions to London/Amsterdam and Mexico are attached.

25. What were the criteria used in selecting participants? Who recommended the names?

My understanding is that an effort was made to select participants from among representatives of small to medium-sized, women-owned companies producing a variety of products and services and lacking in significant prior export experience. I am not aware of any other criteria used in selecting participants. The International Trade Administration (ITA) was the agency within the Department of Commerce that organized the "Women in Trade" Business Development Missions that I led. ITA developed the schedules and the lists of participants. In developing these lists, ITA contacted women's organizations, sent out mailings, and consulted with OPL staff who, as I have noted above in response to Question A.23, suggested some names for the trips.

26. Please describe any coordination with other federal agencies in the conduct of these trade missions.

In addition to coordination with the Department of Commerce, OPL staff had discussions with press offices at the Small Business Administration and the

United States Trade Representative. The State Department provided an advance briefing for me for the Mexico trip, and the relevant embassies provided briefings both for the delegation and for me during both trips. I am not aware of any other coordination.

27. Did you have conversations with Mr. Ickes or others regarding the development of the constituency outreach plans prior to receiving his memo of January 3, 1996? If so, please describe.

I do not recall having discussions prior to the issuance of Mr. Ickes' January 3, 1996, memorandum with Mr. Ickes or other White House officials regarding the development of the constituency outreach plans he requested. I may well have had conversations with Mr. Ickes or others in the White House prior to January 3, 1996, about constituency outreach generally and the 1996 election.

- 28-29. Please describe the genesis, development, and dissemination of the constituency outreach plans.

Who was responsible for establishing the working groups, determining their membership, recruiting member participation, and recruiting staff?

Answer to Questions 28 thru 29:

In a preliminary effort to organize constituency outreach in support of the President's re-election campaign, Harold Ickes asked that plans be prepared for outreach to key constituency groups in targeted states. Staff in the Office of Public Liaison participated in preparing these plans, together with staff members from the DNC, the Re-elect Committee, Administration appointees, and community leaders. Draft plans were prepared for six constituency groups -- African Americans, Asian Pacific Americans, Disabled Americans, Ethnic Americans, Jewish Americans, and Latinos. The Latino Plan actually predated the Ickes memorandum and was drafted in December 1995; the other plans were drafted in early 1996.

Working groups, either pre-existing or newly established, met in connection with the African American, Asian Pacific American, and Latino Plans. No working groups were convened in connection with the Ethnic, Disability and Jewish Plans.

The African American working group began meeting in the spring of 1993 in order to respond to the concerns of the African American community with respect to a wide range of policy issues. I served as the chair of the group.

At the end of 1995, and in the early part of 1996, the group's discussions began to focus on issues relating to African American outreach for the re-election campaign, although it continued to discuss policy matters of general concern to the African American community. The working group included prominent members of the African American community, DNC staff members with responsibilities for African American outreach, a senior African American Administration appointee, and African American members of the White House staff, including from the Office of Public Liaison. The members of the group came together because of their mutual interest in outreach to the African American community. The individuals identified in the plan as "staff" were White House or DNC staff members who, as a result of their positions, had particular knowledge or expertise relevant to African American outreach.

The Asian Pacific American working group was organized in order to develop a proposed outreach plan in connection with the re-election campaign. Doris Matsui, Deputy Director of the Office of Public Liaison, chaired the group. It included Asian Pacific American Administration officials, DNC staff members, and a Congressional staff member. This group was organized by Doris Matsui, drawing on Administration appointees with ties to the Asian Pacific American community. The individuals identified in the plan as "staff" were Asian Pacific Administration appointees.

The Latino working group was organized in order to develop a proposed outreach plan in connection with the re-election campaign. Secretary Cisneros chaired the group. It included senior Hispanic Administration appointees, Hispanic members of the White House staff, including Suzanna Valdez of the Office of Public Liaison, and a DNC staff member. This group was organized by Secretary Cisneros. It did not have a staff.

The DNC and the Re-elect, not the working groups, took principal responsibility for conducting political outreach in support of the President's re-election. Some of the working groups, or individuals who had participated in working groups or preparation of plans, however, continued to participate in activities related to the President's re-election, consistent with White House guidance. The DNC and the Re-elect implemented their own outreach strategies, in some cases relying on proposals or aspects of proposals set forth in the draft constituency outreach plans. I believe that Mr. Ickes, the Re-elect Committee, and the members of the working groups received copies of the plans. I am not aware of any further dissemination of the plans.

30. Please provide the time, place, date of each meeting of the African American working group, the Asian Pacific working group and the Latino working group. Please describe your participation in each of these working groups and the specific meetings you attended. Please describe the participation of your staff and the meetings each attended.

The African American working group initially met about every other month in 1993 and met periodically as the need arose during 1994 and 1995. At the end of 1995 and into 1996, the group began to meet more frequently -- about once a month. The group met at my home, at the DNC, or at the White House. I do not recall the exact dates or times of the meetings, although I do know that a number of the meetings of the group that I attended were in the evening. I have been able to locate a few draft agendas for some of the meetings. I was unable to attend many of the meetings, but I chaired those meetings I attended. Ben Johnson and Richard Hayes of OPL participated in this working group.

I have little personal knowledge of the Asian Pacific American and Latino working groups. I did not attend their meetings, although I was present at the meetings where these plans were provided to Mr. Ickes or his representative. I had no role in the preparation of their plans, however, I was provided with a copy of each plan. I understand from my staff who were involved with these constituency outreach efforts that the groups met approximately bi-weekly. I also understand that the Asian Pacific American group met at the White House and the Latino group met at the White House, the DNC, and the Re-elect Committee. I do not know the times of these meetings, but I understand that they were held after working hours. Doris Matsui, Deputy Director of OPL, chaired the Asian Pacific American working group and participated in the development of the plan. Suzanna Valdez, an OPL staff member, participated in the Latino working group meetings and the development of the working group plan.

31. Please provide any communication, e-mail, memoranda, faxes, meeting logs, schedules, or other documents generated or received by you or OPL staff relating to the outreach plans and meetings of the working groups. -

I have asked my staff to review my files and the files of other OPL staff members to locate documents relating to the outreach plans and meetings of the working groups. The documents that we have been able to locate are attached.

32. Please provide the details of the use of government computers within your office by your employees to generate the outreach plans.

In January 1997, I learned that government resources had been used by OPL staff members for political use on a limited number of occasions. Specifically, I understand that White House computers were used in connection with (1) the Ethnic Plan, which was drafted by a national ethnic community leader on his personal computer, but was edited at the White House, and (2) the Disability Plan, which was drafted at the White House. In addition, one copy of the Latino Plan was made on a government copy machine. In calculating the appropriate reimbursement to be paid by the Re-elect Committee to the U.S. Treasury, the White House Counsel's Office allowed for seven days of computer time, far more than necessary to compensate for the limited use of government computers in this case. I was not involved in the effort to determine what reimbursement was appropriate for the use of government resources; that work was done by the White House Counsel's Office. Documentation reflecting the reimbursement is attached.

33. Please describe the length of time you would consider "reasonable" for reimbursement to the Treasury for non-official use of government resources.

I am not a lawyer and, therefore, not in a position to make this legal judgment. I do understand, however, that the U.S. Treasury was reimbursed for these expenses within a week after the White House learned that government resources were used.

34. Were campaign computers, telecopiers or other equipment maintained in OPL? If so, please describe. If not, please describe the proximity of such equipment.

Campaign computers, printers, copy machines, and telecopiers were available for use by OPL staff members in the Office of Political Affairs, which was located down the hall from the OPL offices in the Old Executive Office Building.

35. Were there other instances when OPL resources were used for political purposes that required reimbursement? If so, please describe.

Other than the reimbursement identified in Question A.32, I am not aware of any reimbursements for political use of OPL resources.

36. **Who received copies of the African American Working Group Constituency Outreach Plan?**

The African American Plan was provided to each member of the working group, the Re-elect Committee and to Harold Ickes. I am not aware of others who received copies of the plan, although there may have been others who received it.

37. **Did you review any of the Constituency Outreach Plans upon their completion and before they were delivered to Mr. Ickes? If so, please indicate which ones.**

I generally looked over the constituency plans before they were submitted to Mr. Ickes.

38. **It has been reported that Ms. Doris Matsui improperly provided a White House list to the DNC. If this is accurate, please describe the circumstances and provide a copy of the document.**

I understand that a copy of a list created by OPL for use in connection with Asian Pacific American regular outreach efforts was circulated to at least some of the members of the Asian Pacific American working group to be used in stimulating group discussion about who might serve on national or state steering committees. This list was not incorporated into the plan. Rather, the working group developed its own list of recommendations for persons to serve on steering committees. A copy of the list is attached.

39. **Was this list generated from WhoDB or any other database? If so, please indicate which database and who accessed it.**

The names on the list were compiled by OPL staff in consultation with a variety of outside persons in order to facilitate communications with Asian Pacific American community leaders concerning issues and legislative initiatives of particular interest to Asian Pacific Americans. These names were entered into a database program available on individual OPL computers. The list was then printed from that program. It was not generated from, or with the use of WhoDB.

40. **Were there other instances in which the White House improperly shared data from White House databases with non-governmental organizations? If so, please describe.**

I am not aware of instances in which the White House improperly shared data from White House databases with non-governmental organizations.

41. Please describe the rationale for your attendance at each of the political coffees held in 1995 and 1996.

I have reviewed the lists of coffees on which my name appears and, based on that review, I recall no specific reason for my attendance at any particular coffee other than that in virtually all events the President attends, there is senior staff support furnished, at different times, by a variety of White House aides. I attended about half a dozen coffees in 1995 and 1996, acting in this capacity. I saw my role principally as mingling and interacting with guests while awaiting the President's arrival and listening to the discussion when the meeting began.

42. It is the Committee's understanding that OPL's role was generally limited to providing suggestions to Mr. Craig Smith of the Clinton/Gore campaign of individuals to be invited to the coffees designated by the White House as "Political and Community Leaders" or "Clinton/Gore Supporters." Is this accurate? If not, please clarify.

OPL's role was generally limited to responding to Craig Smith's requests for suggested names of individuals to be invited to coffees that the White House has designated as being for "Political and Community Leaders." OPL did not, to my knowledge, suggest names of individuals to be included in coffees designated as being for "Clinton/Gore Supporters."

43. It is the Committee's understanding that coffees designated "DNC Supporters" were organized by the DNC with the assistance of the Office of Political Affairs, and that OPL was generally not involved in these coffees. For example, 14 of the 17 bankers who participated in the May 13, 1996 coffee were on the list supplied to the White House by the DNC. Is this accurate? If not, please describe.

The Committee's understanding that coffees designated "DNC Supporters" were organized by the DNC with the assistance of the Office of Political Affairs, and that OPL was generally not involved in these coffees, is correct. The coffees designated as being for "DNC Supporters" were organized by the DNC. The lead White House liaison office for these coffees was the Office of Political Affairs. The reason for OPL's larger involvement in the

May 13 coffee is set forth in the letters from Todd Stern to Senator Jeffords dated January 30, 1997, and February 4, 1997.

44. Were coffees held outside of the residences improper given the guidance provided at 5 CFR § 7324.502(d) [sic] that government buildings, including White House offices and meeting rooms, should not be used for meetings or events organized by a campaign or political committee?

Although I am not a lawyer, the White House Counsel's Office has advised me that the Hatch Act regulations regarding the use of space described in 5 C.F.R. § 734.502(d) reference places in which Agency and Department employees who are not Senate-confirmed may engage in political activity during non-duty hours. Thus, the restrictions in that provision do not apply to White House and Senate-confirmed employees, who may participate in political events anywhere in the White House complex, provided there is no solicitation of contributions. I understand further that non-Senate confirmed Agency and Department employees may attend political events in the White House complex during non-duty hours, provided these events are held in appropriate locations. It is my understanding that the coffees were held consistent with this guidance.

45. The Los Angeles Times quotes Mr. Hugh Westbrook as having contacted OPL to arrange a dinner honoring donors to his voter registration project, Vote Now '96. Please describe OPL's involvement in the July 12, 1996 dinner.

OPL had no involvement in organizing the July 12, 1996, dinner. I did attend the event as an invited guest.

46. Is the Hugh Westbrook who attended the July 7, 1995 coffee the same individual and did OPL suggest his name to the campaign to be invited?

I understand from reviewing the list of coffees that Mr. Westbrook attended a coffee on July 20, 1995. Neither I nor my staff suggested that he be invited.

47. Did OPL provide additional assistance to Vote Now '96? If so, please describe.

I do not recall providing assistance to Vote Now '96, though I do recall talking to Hugh Westbrook and Gary Baron, who ran the Vote Now '96 effort. I recall being aware of their intention to mobilize a grassroots voter registration effort and being aware that Mr. Westbrook had a historic

commitment to voter registration. I am not aware of persons on the OPL staff providing assistance to Vote Now '96, though OPL staff members may have had conversations with Mr. Westbrook or Mr. Baron.

48. Did OPL provide assistance to other voter registration groups? If so, please describe.

My office was responsible for briefing and staffing the President in connection with his attendance at a "Cinco de Mayo" reception for the Southwest Voter Registration Education Project. I certainly recall having general conversations about voter registration, but I do not specifically recall providing assistance to other voter registration groups.

49. Did OPL solicit assistance from Vote Now '96? If so, please describe.

I am not aware that I or my staff solicited assistance from Vote Now '96.

50. Did OPL solicit assistance from other voter registration groups? If so, please describe.

I am not aware that I or my staff solicited assistance from other voter registration groups.

51. Have you had any dealings with Mr. Herbert Miller or other partners of Western Associates, Limited while at OPL? If so, please describe.

My attorney handled business discussions with partners of Western Associates regarding Market Square. I recall one phone conversation with Mr. Miller concerning a volunteer effort to beautify downtown Washington. I may have had other incidental social contact with him, but I have no specific recollection of this. I do not recall any dealings with any other Market Square partners while at OPL.

B. Democratic National Committee

1. An article in the Washington Business Journal suggests that you removed yourself from the routine operations of A.M. Herman and Associates (AMHA) when you assumed full-time responsibilities for the Democratic National

Committee. Did you retain responsibility for, and continue to serve, any of your clients while serving as Chief of Staff or Vice-Chairman of the DNC? If yes, which clients did you continue to serve?

When I began to work at the Democratic National Committee, I had an agreement with Chairman Brown to work on a flexible work week so that I could continue to service some of my clients at AMHA. I continued to work on a Leadership Development Project for Procter & Gamble and was available to Copeland when needed. I also participated in the presentation of the affirmative action plan for Federal Triangle. These are the only clients which I continued to serve that I can remember at this time. Eventually, my obligations at the Democratic National Committee greatly limited the time I had available to work with these clients.

- 2. Did you continue to market the services of AMHA to new clients while serving as either Chief of Staff or Vice-Chairman of the DNC? If yes, please describe.**

I did not generally continue to market the services of the company while at the Democratic National Committee. I may have sat in on an occasional meeting during this time, but I do not remember any specific instances.

- 3. If so, did you take steps to recuse yourself from responsibilities or activities that might pose a conflict of interest during the period you were serving both as President of AMHA and as an officer of the Democratic National Committee? If so, please describe.**

I was always alert to the possibility of conflicts and, had any circumstance arisen where a conflict existed, I would have recused myself. This situation did not occur while I was at the Democratic National Committee.

- 4. In determining whether or not potential conflicts existed, did you consult with the general counsel or an ethics officer as to what steps you should take to avoid real or perceived conflicts of interest?**

I was always sensitive to the possibility of conflicts. If a conflict had arisen, I would have consulted the general counsel of the Democratic National Committee. During my time at the Democratic National Committee, the situation did not arise where I felt it was necessary to seek out such guidance.

5. If you did consult the general counsel or an ethics officer, please provide his or her name.

See Question B.4.

6. Your nomination questionnaire indicates that you became a consultant to the Copeland Companies while serving at the Democratic National Committee. What are the Copeland Companies and what services did you provide for them?

Copeland is a nationwide third-party administrator based in New Jersey that administers deferred compensation programs around the country. Copeland administered fifty percent of the deferred compensation plan for the District of Columbia. I consulted with Copeland on their marketing strategies and issues regarding the District of Columbia. I also on occasion reviewed Copeland's marketing plans for other municipalities.

7. Did you provide these services only in Washington, D.C., or did you travel elsewhere to provide them?

I do not recall traveling to other states.

- 8-9. U.S. and World Report reported on June 7, 1993 that FEC reports indicated you were reimbursed by the DNC for "home decorating." Were you ever reimbursed for personal expenditures? If so, please specify and provide copies of any documents which describe the expense reimbursement policy in place at the DNC at the time of these reimbursements.

Please describe the circumstances leading up to the erroneous FEC filing and the steps that were taken to rectify the error.

Answer to Questions 8 thru 9:

Although the June 7, 1993 U.S. News and World Report article refers to both FEC reports and "confidential DNC documents" in discussing several topics, it does not claim that reimbursement for "home decorating" appeared on an FEC report. The article did allege that the DNC had reimbursed me for home decorating expenses. That is incorrect.

The expense reimbursement policy was reflected in the Employee Handbook (copy attached). When I was chief of staff at the DNC, there was not a

corporate credit card. Instead, I used a personal American Express credit card. In order to be reimbursed, my assistant would submit an invoice on my behalf, attaching a copy of the expense for which I was seeking reimbursement. These invoices were submitted to the chief financial officer for approval. In October 1991, I requested reimbursement for a \$77 charge for a purchase at Curtains and Home, which were items bought for Chairman Brown's office. I never requested nor received reimbursement for personal decorating expenses or other personal expenses.

10. As Chief Executive of the Democratic National Convention, did you let or help cause to be let any contracts to one or more companies in which you or any of your relations had or subsequently would have had a financial interest apart from publicly traded debt or equities? If so please specify.

No.

11. As Chief Executive of the Democratic Convention, did you let or help cause to be let any contracts to one or more companies from which you or any of your relations had or would receive compensation in any form? If so please specify.

No, but I would like the Committee to be aware of the fact that after the Convention, the late Dr. Broadus Butler, a distinguished African American historian, was commissioned by the Convention Committee to write a study of the management of the Convention, which was the first to have African Americans serve as chair, chief executive officer, manager and general counsel. Dr. Butler, who died in 1996, was a second cousin. Dr. Butler spoke to members of my staff about writing such a study after a column in the San Francisco *Examiner* had favorably commented on the Convention management's historic "firsts." (A copy of the article is attached.) As chief executive officer, I approved the contract. Dr. Butler was the former president of Dillard University, the former chief academic officer of Texas Southern University, and a former MacArthur Foundation Distinguished Scholar-at-Large. Because Dr. Butler's report ended up dealing significantly with antecedents to the 1992 Convention rather than focusing primarily on the Convention itself, the FEC determined that his fee should be paid out of party funds.

- C. A.M. Herman and Associates

1. **Was A.M. Herman and Associates (AMHA) required to make any applications or filings with the District of Columbia or other jurisdictions in order to conduct business in the District or across state lines?**

AMHA was organized as a corporation under the laws of the District of Columbia. Articles of Incorporation were filed with the Department of Consumer and Regulatory Affairs of the District of Columbia on September 17, 1985. There may have been certain other incidental filings, for example, with taxing authorities, but to the best of my knowledge no other filings were required to do business in the District. Although I do not have a specific recollection on the point, I am advised that the nature of the operations of AMHA would almost certainly not have required qualification to do business in any other jurisdiction.

2. **If so, please provide copies of such applications or filings.**

Copies of the Articles of Incorporation and the By-laws of AMHA are attached.

3. **Please describe the work conducted by AMHA for Western Development Corporation/Avenue Associates (WDC/AA), and provide a copy of the contract outlining the terms for performance of such work.**

AMHA, in compliance with Pennsylvania Avenue Development Corporation (PADC) regulations, developed and wrote the affirmative action plan for the Market Square project for its client Avenue Associates. The affirmative action plan outlined the strategies and methods for identifying and locating various minority participants, such as construction workers, suppliers, consultants and other vendors consistent with the goals set by the PADC. In April 1986, AMHA signed a contract to implement and monitor the plan for the three-year period in which Market Square was constructed and leased; the three-year contract was budgeted at approximately \$70,000 per year for AMHA's services. The contract specifically provided that AMHA would hold joint meetings with Avenue Associates and the PADC to review the plan's goals and objectives. Additionally, the company was responsible for not only developing the computer program, required forms and schedules for the project, but also for coordinating the necessary compliance review meetings and preparing the quarterly reports required by the PADC. Finally, AMHA also devoted a significant amount of time not only identifying potential program participants, such as minority construction workers, consultants and suppliers, but also assisting in identifying tenants for the Market Square project. A copy of the contract is attached.

4. White House spokesman Joe Lockhart indicated that AMHA won the contract (New York Times 2/15/97) to do the work for WDC/AA. Please provide us with a copy of the bid and a description of the method of competition employed to let the work.

As described more fully in response to Question C.5, no bid was required for the AMHA contract. Instead, I was asked by Robert Mendelsohn to be a member of the group that was going to bid on the Market Square project. The PADC conducted a development competition for the rights to develop Market Square. Our group, Avenue Associates Limited Partnership, submitted a proposal -- which included the affirmative action plan written by AMHA, as described in response to Question C.3 -- and the group was awarded the development rights in November 1984. AMHA and Avenue Associates then negotiated the terms of the three-year contract for the implementation and compliance work associated with the affirmative action plan.

5. Mr. Lockhart indicated that you and two other limited partners were given an interest in the Market Square development without investing or putting at risk any funds. Is this correct? Who was responsible for making the decision to include the limited partners in the development, and why were you chosen?

Robert Mendelsohn, a developer of large mixed-use projects, asked me to join the group that was going to bid on Market Square. The PADC set forth certain affirmative action goals and requirements for the projects it awarded, which included a requirement that all developers responding to proposals by the PADC have an affirmative action plan. The regulations also suggested minimum guidelines and goals for minority participation for affirmative action plans, including a 10% goal for minority equity ownership. Mr. Mendelsohn asked me to join the partnership because he believed I could help it meet the PADC's goals for minority equity ownership and provide my expertise and the expertise of my company. I was offered a 3.34% interest in Avenue Associates; there were two other minority limited partners, and our combined ownership interest was 10%.

None of the limited partners -- minority or non-minority -- were required to make a financial contribution to the partnership in exchange for their partnership interest, and none did. In an important respect, however, the minority partners' agreement differed from the others. Section 2.4(2) of the April 1986 agreement provided that the minority partners, in exchange for certain protections, including protection against cash calls, had a look-back provision. This provision, in essence, treated the minority partners as if they

deferred payment for their equity with the result that, in the event of distributions in the future, the deferred payment would be made by reducing the minority partners' payment by 80%.

This provision was applied in 1987 when Avenue Associates entered into an agreement with Trammell Crow and a Dutch entity, in which they acquired 70% of the partnership. (In connection with this transaction, Western Associates Limited Partnership (WALP) was formed and now represents the remaining 30% interest in Avenue Associates.) As a result of the 1987 agreement, all of the Avenue Associates partners' interests in Market Square were diluted proportionally; my interest decreased from 3.34% to about 1%. Section 2.4(2) was applied to reduce my share of the proceeds from \$251,872 to \$50,374. Since Section 2.4(2) only applied to minority limited partners, the proceeds for non-minority partners were not reduced at all.

6. What was the tax treatment of this "gift." Please provide supporting documentation.

Although I am not a lawyer, my understanding is that my interest in the Market Square project is not a "gift" for federal tax purposes. My understanding is that in a commercial transaction, a transfer of property is almost never considered a gift for tax purposes because the requisite relationship between the donor and donee does not exist. In addition, I have been told that the value of my interest was too speculative for the receipt of that interest to be deemed a taxable event.

7. Please describe the work performed by AMHA on the Federal Triangle project, and provide a copy of the contract outlining the terms for performance of the work.

As part of the Delta group that was bidding on the Federal Triangle project, AMHA developed an affirmative action plan in connection with the criteria set forth by the PADC. In October 1989, the PADC awarded Delta the project. Subsequently, my company signed a five-year contract for approximately \$125,000 a year to monitor and implement the affirmative action plan for development of the nation's second largest federal building. The work was substantial and involved a number of AMHA employees. We designed the affirmative action plan and assisted the development group in all aspects of the pre-program implementation of the plan. We also developed a system for data collection and tracking of all PADC reporting requirements. This included assisting all contractors, subcontractors and vendors in designing internal tracking systems (including forms, instructions, time

schedules and quarterly report formatting) to meet the appropriate reporting requirements. AMHA implemented and monitored compliance with the plan, including providing assistance to all members of the project group, interfacing with the PADC and any other governmental officials, and assisting with documentation to ensure compliance with the plan. We identified, recruited and referred potential minority individuals for participation in the Federal Triangle project. We provided technical assistance to the project's participants in all areas of the plan, including providing an orientation program for use of the AMHA manual, assisting in working relationships with government officials, the press and other interested parties, and coordinating reports to the PADC. A copy of the contract is attached.

8. **Please describe the schedule of payments to AMHA for this work.**

AMHA would submit monthly invoices, and payments, per the rates in the contract, were made by the Federal Triangle Corporation (formerly the Delta group).

9. **Were these payments made from private or public funds?**

There were federal funds involved in the Federal Triangle project, but I do not know what part of the funds that AMHA received, if any, were originally federal funds.

10. **Please describe the allocation of work among individuals at AMHA on the Federal Triangle project.**

Work on the Federal Triangle project was done by a number of individuals at AMHA. The plan was developed primarily by Gloria Gutierrez and me. I participated in the presentation of the affirmative action plan when the Delta group appeared before the PADC. The implementation and compliance work was supervised by Ms. Gutierrez; she also interacted with the developers, the D.C. employment services office and the many subcontractors. There was one AMHA employee who performed all the outreach work to identify the various minority participants. There was another employee who tracked all of the reports and data required by the PADC and the affirmative action plan. A clerical support staffer also assisted in the reports and a programmer worked on the computer reports and resolved any problems with it.

- 11-12. News reports at the time indicate that you lobbied congressional staff or Members, on behalf of the Delta group. Did you?

Did you have any meetings or conversations with congressional staff or Members wherein the project was discussed?

Answer to Questions 11 thru 12:

I have no recollection of lobbying either Members of Congress or their staffs, nor do I have any recollection of attending any meetings with Members of Congress or their staffs regarding the Federal Triangle project and my work with the Delta group. I am aware that Ms. Gutierrez briefed Rep. Eleanor Holmes Norton on how the affirmative action plan would work in conjunction with the D.C. employment services office and kept her office informed of the project's progress in regard to new jobs. The briefing was done because the contract required that the local employment services office was to be the first point of contact for new employment opportunities. I am also aware that, on one occasion, Ms. Gutierrez, along with another individual from the Delta group, had a short meeting with Rep. Gus Savage at his request, but there was no follow-up from that meeting.

13. Who purchased AMHA in October 1993?

Dr. Vanessa Weaver purchased AMHA in October 1993.

14. The public disclosure forms which you filed in 1993 and 1994 suggest a precipitous drop in the value of AMHA. Who determined the value of the firm and what method was used?

As the Committee is aware, the public financial disclosure forms require that the filer identify only a range of valuations for each asset disclosed. In my 1993 filing, I made a good faith estimate of the value of the firm and placed it in the range of \$250,000 to \$500,000. In October 1993, the actual sale price was \$88,320. My understanding is that the diminution in value was primarily attributable to the fact that one of the firm's principal contracts was terminated shortly after the employee who had been primarily responsible for services left the firm in June 1993.

15. Did all of the contracts which you held prior to sale transfer to the new owner?

Yes.

16. If not, please list those which terminated upon sale or which were transferred separately.

See Question C.15.

17. Has the purchaser(s) of AMHA continued to operate after acquiring AMHA and/or its contracts?

To the best of my knowledge, the purchaser continued to operate the firm under a new name for approximately nine months to one year after the sale.

18. You began your work at The White House in January of 1993. You did not sell AMHA until October 1993. According to the General Services Administration, the Federal Triangle contract expired in 1995. Who performed work on the contract between the time that you began work at The White House and the sale of your company?

Beginning before I entered government service, substantially all of the work on the Federal Triangle contract was performed by one or more employees of AMHA rather than by me personally. Once I joined the government, of course, all of the work was performed by others.

19. Did you or OPL extend any courtesy or provide any benefit to the purchaser of AMHA prior or subsequent to the purchase? If so, please describe.

Neither I nor OPL conferred any benefit on Dr. Weaver, but in the interest of providing full and complete information to the Committee, I would like to point out that Dr. Weaver, whom I had known and worked with for many years before joining the government and who was a successful professional, visited with me and attended events or meetings at the White House on a number of occasions. In addition, Dr. Weaver's sister, who is a partner in Dr. Weaver's firm, Alignment Strategies, was a participant in the trade mission I led to Mexico City and Monterey in April 1996.

D. Green-Herman & Associates, Inc. (GHA)

1. When did discussions begin, between you and Mr. Ernest Green or with other parties, on the formation of Green-Herman & Associates, Inc.?

Mr. Green and I began discussing the idea of opening our own company after the election in 1980.

2. **When did you retain counsel to assist you in the formation of the company?**

I do not recall the exact date upon which we retained counsel. At some point, we hired James Christian of Finley, Kumble, Wagner, Heine, Underberg & Casey to prepare the incorporation papers. My recollection is that the papers were filed on January 20, 1981.

3. **If you were engaged in preliminary discussions on the formation of a consulting business upon your departure from the Department of Labor prior to such departure, did you consult with an ethics officer as to what steps you should take to avoid real or perceived conflicts of interest? If yes, what advice did you receive? Did you follow it?**

I do not recall meeting with an ethics officer. I do, however, recall that both the Secretary of Labor, Ray Marshall, and the Solicitor of the Department of Labor, Carin Ann Clauss, were aware of my plans to start a company. I was always alert to the possibility of conflicts.

4. **If you did consult an ethics officer, please provide his or her name.**

See Question D.3.

5. **Did you take steps to recuse yourself from responsibilities or activities that might pose a conflict of interest during the period you were contemplating or effecting the formation of a private consulting business?**

I was always conscious of the possibility of conflicts. The situation never arose where I felt it necessary to recuse myself.

6. **Please provide the names of all individuals who worked at Green-Herman in 1981, either as statutory employees, partners, or as independent consultants.**

I do not have records that would indicate all the employees of Green-Herman during 1981. As I recall, the staff included Paula Greenfield, Gloria Gutierrez, Donald Terrell and Lorraine Westbrook. In addition, Robin Broadus and Dominique Cooper may have also provided services.

7. When did GHA begin work on the Mel Harris contract, the memorandum of understanding of which you signed on April 3, 1981?

As I recall, we began to work on the project in early April 1981.

8. Did any of the individuals listed in response to question 6 not work on the Mel Harris contract?

Again, I do not have the records of Green-Herman from that time period so I am not able to verify these answers. To the best of my recollection, all of the above individuals worked on the Mel Harris contract in some capacity.

9. If any did not, please identify the individual(s).

See Question D.8.

10. Please identify each of the contracts (and their approximate dollar value) on which Green-Herman was working at the time of Chairman Hatch's inquiry to Mr. Green in June, 1981.

I cannot recall each of the contracts that Green-Herman was working on at that time. Unfortunately, the business records that would verify this information no longer exist. I am aware that Green-Herman had a contract at this time with Media Systems Corporation, which provided for a retainer of \$12,500. Green-Herman also contracted with Mel Harris & Associates for approximately \$75,000. Green-Herman completed a training program for the National Council of Negro Women by this point for approximately \$2,000. There may have been other contracts that I do not recall, but I do not have the business records to help me verify this list.

11. In July of 1981, your attorney, Mr. James Christian, wrote to Senator Hatch stating that "Green-Herman has conducted a thorough review of all its contractual undertakings since January, 1981." You have indicated to Committee staff that you did not recall seeing the letter until December of 1996. Has your recollection changed since you met with staff in December?

I still have no recollection of having seen this document prior to December of 1996.

12. Can you suggest how a "thorough review" would fail to uncover the Mel Harris contract?

As Mr. Green and Mr. Washington indicated to the Senate Committee on Labor and Human Resources, the Mel Harris contract was not immediately disclosed because of a misunderstanding by our counsel of the Committee's request, not because they "fail[ed] to uncover" the contract. I regret that the information was not provided immediately upon its request, and I certainly believe that the Committee was entitled to a full response. I am relieved that the information was ultimately provided in advance of the Senate hearing.

13. Mr. Green during his testimony before the Labor Committee in October 1981 indicated there was a "misunderstanding" as to what Chairman Hatch was seeking. While you obviously cannot speak for Mr. Green, can you today proffer a reason as to why there would be a misunderstanding of what Chairman Hatch sought?

I cannot speak for Mr. Green or for Mr. Christian, the attorney who responded to Senator Hatch's request. My understanding is that the focus of our attorneys was on the contracts that involved discretionary CETA funds which Ernie Green principally administered. I would assume that our attorneys did not include the Mel Harris contract in the response to the Senate Committee since the funds to be received by Mel Harris were not from such discretionary funds. Mel Harris received its funds from the Mobile Consortium. My understanding is that the Mobile Consortium, in turn, received its funding from two sources. I believe that the bulk of the funds were distributed under the non-discretionary formula established in the CETA statute. The remaining funds were distributed under the auspices of a joint program between the Departments of Labor and Health, Education and Welfare. Arnold Packer, Assistant Secretary for Policy, had the principal responsibility for this program at the Department of Labor. I would also point out that the Department of Labor funding that formed the basis of the Mobile Consortium's closeout contract with Mel Harris -- who in turn retained Green-Herman -- was not even allocated until after Ernie Green left office. Finally, let me assure this Committee that there was no attempt to mislead the Committee on Labor and Human Resources.

14. Were there any significant problems in the conduct of the Mel Harris contract?

I do not recall any difficulties in the portion of the work performed by Green-Herman for Mel Harris, but the Committee may wish to contact Mr. Harris directly.

15. Were any of your expenditures on the Mel Harris contract questioned or disallowed by the Department of Labor?

I have no recollection that any of the expenditures on the Green-Herman contract with Mel Harris were questioned or disallowed, but the Committee may wish to contact Mr. Harris directly.

16. If yes, what was the basis for disallowing the items and how were these issues resolved?

See Question D.15.

17. Please list all sources, and the amount, of income received by Green-Herman during its first year in business. Please list all sources of loans, and the amount received by Green-Herman during its first year in business. Did any of the individuals and/or entities listed above benefit, directly or indirectly from any CETA grants or contracts awarded prior to the end of the Carter Administration?

As I previously stated, the business records for this time period are not available so I cannot provide the Committee with a complete list of contracts and loans for 1981. As stated in response to Question D.10, in 1981, Green-Herman had contracts with the National Council of Negro Women (\$2,000), Media Systems Corporation (\$12,500) and Mel Harris & Associates (\$75,000). These are the only contracts I have been able to identify with any specificity.

I do not recall the details regarding the loans used to capitalize Green-Herman, however I understand that the following loans were made: a short term loan from John Bustamante for \$10,000, a loan from Mitchell, Titus & Co. for \$2,500 and a loan from Robert Gilmore for \$25,000. John Bustamante was a personal friend, and the loan was based on that friendship. The loan was repaid within thirty days. Ernie Green had a personal relationship with Robert Gilmore and Mitchell, Titus & Co. I am not familiar with the terms of those loans. John Bustamante, a lawyer at the firm of Bustamante, Donohue & Palmisano, was the General Counsel for PUSH for Excellence. I have recently been informed that he also had a connection to the Greater Cleveland Growth Corporation. Both these organizations received CETA awards from the Carter Administration. I believe that Mitchell, Titus & Co. received some CETA funds during the Carter Administration. It is possible that Robert Gilmore may have been on the

board of the Recruitment and Training Program, Inc., but my best information is that he was not. RTP received CETA awards during the Carter Administration. None of the loans to Green-Herman were in any way connected to CETA awards.

E. Department of Labor

- 1. Please describe your role, and that of Women's Bureau, in the planning and award of CETA grants or contracts.**

I advocated on behalf of the Women's Bureau for programs that supported the position and goals of the Women's Bureau. Otherwise, I had no contracting authority with respect to CETA grants or contracts; neither did the Women's Bureau.

- 2. Were any CETA funds allocated, formally or informally, for Women's Bureau initiatives?**

I sought funding for specific Women's Bureau initiatives and pressed Secretary Marshall to provide CETA funds for these initiatives. My recollection is that certain CETA funds were provided for Women's Bureau initiatives. I do not recall the specifics regarding the funding of these initiatives. I would reiterate that I had no contracting authority with respect to CETA grants or awards.

- 3. What Women's Bureau promoted initiatives, if any, were funded during the last year of your tenure?**

I do not remember the specific Women's Bureau initiatives that were funded during the last year of my tenure. The initiatives likely would have included programs that aided women in coal mining areas, displaced homemakers and students transitioning from school to the workplace, as these were areas of special concern to me.

- 4. Please describe your role in the awarding of CETA contracts in the closing weeks of the Carter Administration.**

My role in the awarding of CETA contracts did not change in the closing weeks of the Carter Administration. I continued to advocate on behalf of

programs that supported our goals in the Women's Bureau, however I had no contracting authority with respect to CETA grants or contracts.

5. Although you had little or no grant or contracting authority personally, did you advocate for certain grants or contracts during this period with individuals who did have such authority?

While I had no grant or contracting authority personally, I did advocate on behalf of programs that we at the Women's Bureau felt would further our efforts. I continued to do this until I left the Department of Labor.

6. If the answer to the previous question is yes, for which grants or contracts did you advocate?

As I noted in my answer to Question E.3, the initiatives I advocated for would have included programs that aided women in coal mining areas, displaced homemakers and students transitioning from school to the workplace. In addition, I have some recollection of advocating for the National Council of Negro Women, and I may have also advocated for Dr. Benson Penick. However, I cannot recall whether I advocated for any of these matters in the closing weeks of the Carter Administration.

7. In what form(s) did any such communication take place?

I would have appeared before a review committee to explain my reasoning for supporting these awards.

8. What was the records retention policy in place at the Department of Labor at the time?

I do not recall the exact records retention policy of the Department of Labor.

9. In April of 1981, the IG's office was informed that the chronological file of all Women's Bureau correspondence corresponding to your tenure at the Women's Bureau could not be located. Can you explain the absence of these chronological files?

I have no information on why the chronological files of the Women's Bureau could not be located. By that time, I had been gone from the Women's Bureau for four months.

10. Was your travel to and presence in the Patrick Henry building during the final weeks of the Carter Administration limited to attendance at a few parties for departing staff? If no, please describe the reason for these visits.

I do recall attending parties for departing staff in the Patrick Henry building during the final weeks of the Administration. I may have also been in the building to see other department heads, although I have no current recollection of any such visits.

11. Did you utilize Mr. William Kacvinsky's office to assist in the awarding of grants or contracts during the final days of the Carter Administration?

I do not recall using Mr. Kacvinsky's office.

12. Did you discuss the awarding of grants or contracts with anyone in the Patrick Henry building while you were attending events for departing staff?

While attending a party for departing staff members, I may have had some discussions with the relevant department heads to find out which grants or contracts had been awarded. I considered it part of my job to stay informed regarding all grants that might have aided the cause of the Women's Bureau. I do not recall any specific conversations.

THE WHITE HOUSE
WASHINGTON

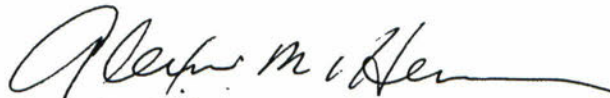
February 27, 1997

The Honorable James M. Jeffords
Chairman
Senate Labor & Human Resources Committee
United States Senate
Washington, D.C. 20510

Dear Senator Jeffords:

Attached please find my responses to the written questions you submitted. I look forward to appearing before the Committee in the near future.

Sincerely,



Alexis M. Herman

Attachment

FAX



**MAJORITY STAFF
SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES**

JAMES M. JEFFORDS
Chairman

835 HART SENATE OFFICE BUILDING
WASHINGTON, D. C. 20510
TELEPHONE: (202) 224-6770
FAX: (202) 224-6510

To:

Todd Stern

Date:

2/21/97

Fax #:

456-2215

Pages:

11

From:

Mark Powder

MESSAGE: _____

JAMES M. JEFFORDS, VERMONT, CHAIRMAN

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<http://www.senate.gov/committees/abor.html>

United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES

WASHINGTON, DC 20510-6300

February 21, 1997

Ms. Alexis M. Herman
The White House
Washington, D.C. 20500

Dear Ms. Herman:

As part of the Committee's effort to fulfill its responsibilities, I have enclosed a background questionnaire which I respectfully ask you to complete. This questionnaire is designed to provide you with an opportunity to address issues that have been raised in the course of our background review and which are of concern to the Committee. It is my hope that by addressing these issues in this manner we will be able devote more time during your hearing to the policy issues about which we both care so deeply.

Thank you for your assistance.

Sincerely,

James M. Jeffords

Enclosure

ATTACHMENT

Please answer the following questions to the best of your ability. If you are unclear on the meaning of a question, please do not hesitate to contact Mark Powden or Scott Giles of the Labor Committee at 224-6770. If you are able to supply answers to some of the questions sooner than others, please do not hesitate to deliver these responses to the committee as soon as they are available rather than waiting until the entire questionnaire is completed.

If you can only answer a question in part, please do so. If you are unable to answer a question, or can only give a partial answer, please indicate from whom the committee might elicit more information.

Please supply the committee with any documents or other materials to which you have referred in formulating your answers, and any other documents that might assist in answering the questions that follow, even if a question does not specifically request such material.

If you believe you are barred from supplying any such documents, or are unable to answer any question in whole or in part, due to executive or other privilege, please provide such description as you are able of the relevant information as well as the basis for the exercise of any privilege.

Any references to staff of the Office of Public Liaison (OPL) should be read to include all individuals working within the office, including volunteers or detailees from other federal agencies. Any references to members of the working groups should be read to include both "members" and "staff" as those terms are used in the outreach plans provided to the committee.

A. Office of Public Liaison

1. Please provide a complete list of all individuals who have worked at the Office of Public Liaison since 1993, a brief description of their responsibilities, their tenure, and the source of their salary, if any.
2. If any of these individuals were not federal employees, please indicate why they were selected and who was responsible for "recruiting" them. Also, please indicate who in OPL approved their assignments. Please provide any communication, faxes, e-mails, or notes or records of such communication, relating to the recruitment and placement of these individuals.
3. If any of these individuals were not federal employees, please indicate who in their sponsoring organizations approved their full-time assignment to the White House.
4. If any of these individuals were not federal employees, and their salaries were paid by a non-Federal entity, please provide their job description and the name of their supervisor(s) at the organization which paid their salary, if any.

5. Was Ms. Woolley considered exempt or non-exempt by the DNC for FLSA purposes?
6. If she was considered exempt, what was the basis for such exclusion in light of the actual duties she performed for her employer?
7. If she was considered non-exempt, did the DNC comply with the record keeping, minimum wage, overtime, and other regulations of the Fair Labor Standards Act?
8. The committee understands that Ms. Woolley was assigned to OPL pursuant to a March 1987 Office of Legal Counsel memorandum. That memorandum calls for a case-by case determination of whether such assignment would comport with relevant regulations. Please describe and document the determination to engage Ms. Woolley's services.
9. Please describe Ms. Barbara Woolley's involvement with the constituency outreach efforts of the Office of Public Liaison.
10. Please describe the "At the Table" project conducted by Ms. Betsy Myers at OPL.
11. Was guidance sought or given as to how the "At the Table" project comported with the Standards of Ethical Conduct for the Executive Branch, the Hatch Act, or other applicable law or regulation? Please provide any communication, or notes or records of such communication, relating to any such inquiry or determination.
12. Did White House Counsel take the view that general outreach efforts by political appointees constitute official duties for any political appointee in any agency, regardless of whether the agency initiated such effort to discuss an agency related matter?
13. Were concerns raised with the White House Counsel or other offices within the White House in connection with Ms. Myers or the "At the Table" project? When and by whom?
14. What was the response to any such concerns?
15. Were the names of participants in the "At the Table" events entered into one or more databases?
16. If so, were the names maintained by the sponsoring agency, the White House, or some other entity?
17. If the names were maintained in a database, to what purpose were they actually or intended to be put?
18. Who in the Office of Public Liaison had access to the WhoDB?

19. Who, if anyone, from the Office of Public Liaison was responsible for entering data into WhoDB?
20. Who, if anyone, from the Office of Public Liaison was responsible for ensuring that data entered into WhoDB was accurate?
21. What type of data was provided by and/or entered into the database by staff at OPL (i.e., occupation, demographics, party status, early supporter, etc.)?
22. Was any of this information shared by OPL staff, interns, or volunteers with any non-governmental entity?
23. OPL has been described as "a conduit between the President and constituencies, listening to the concerns of such groups, communicating the President's message to them, and building grassroots support for the President's initiatives." Please describe how the trade missions to Europe and Mexico helped to fulfill this mission.
24. Please provide a list of invitees and participants in trade missions organized by OPL.
25. What were the criteria used in selecting participants? Who recommended the names?
26. Please describe any coordination with other federal agencies in the conduct of these trade missions.
27. Did you have conversations with Mr. Ickes or others regarding the development of the constituency outreach plans prior to receiving his memo of January 3, 1996? If so, please describe.
28. Please describe the genesis, development, and dissemination of the constituency outreach plans.
29. Who was responsible for establishing the working groups, determining their membership, recruiting member participation, and recruiting staff?
30. Please provide the time, place, date of each meeting of the African American working group, the Asian Pacific working group and the Latino working group. Please describe your participation in each of these working groups and the specific meetings you attended. Please describe the participation of your staff and the meetings each attended.
31. Please provide any communication, e-mail, memoranda, faxes, meeting logs, schedules, or other documents generated or received by you or OPL staff relating to the outreach plans and meetings of the working groups.

32. Please provide the details of the use of government computers within your office by your employees to generate the outreach plans.
33. Please describe the length of time you would consider "reasonable" for reimbursement to the Treasury for non-official use of government resources.
34. Were campaign computers, telecopiers or other equipment maintained in OPL? If so, please describe. If not, please describe the proximity of such equipment.
35. Were there other instances when OPL resources were used for political purposes that required reimbursement? If so, please describe.
36. Who received copies of the African American Working Group Constituency Outreach Plan?
37. Did you review any of the Constituency Outreach Plans upon their completion and before they were delivered to Mr. Ickes? If so, please indicate which ones.
38. It has been reported that Ms. Doris Matsui improperly provided a White House list to the DNC. If this is accurate, please describe the circumstances and provide a copy of the document..
39. Was this list generated from WhoDB or any other data base? If so, please indicate which data base and who accessed it.
40. Were there other instances in which White House improperly shared data from White House databases with non-governmental organizations? If so, please describe.
41. Please describe the rationale for your attendance at each of the political coffees held in 1995 and 1996.
42. It is the committee's understanding that OPL's role was generally limited to providing suggestions to Mr. Craig Smith of the Clinton/Gore campaign of individuals to be invited to the coffees designated by the White House as "Political and Community Leaders" or "Clinton/Gore Supporters." Is this accurate? If not, please clarify.
43. It is the committee's understanding that coffees designated "DNC Supporters" were organized by the DNC with the assistance of the Office of Political Affairs, and OPL was generally not involved in these coffees. For example, 14 of the 17 bankers who participated in the May 13, 1996 coffee were on the list supplied to the White House by the DNC. Is this accurate? If not, please describe.

44. Were coffees held outside of the residences improper given the guidance provided at 5 CFR §7324.502 (d) that government buildings, including White House offices and meeting rooms, should not be used for meetings or events organized by a campaign or political committee?
45. The Los Angeles Times quotes Mr. Hugh Westbrook as having contacted OPL to arrange a dinner honoring donors to his voter registration project, Vote Now '96. Please describe OPL's involvement in the July 12, 1996 dinner.
46. Is the Hugh Westbrook who attended the July 7, 1995 coffee the same individual and did OPL suggest his name to the campaign to be invited?
47. Did OPL provide additional assistance to Vote Now '96? If so, please describe.
48. Did OPL provide assistance to other voter registration groups? If so, please describe.
49. Did OPL solicit assistance from Vote Now '96? If so, please describe.
50. Did OPL solicit assistance from other voter registration groups? If so, please describe.
51. Have you had any dealings with Mr. Herbert Miller or other partners of Western Associates, Limited while at OPL? If so, please describe.

B. Democratic National Committee

1. An article in the Washington Business Journal suggests that you removed yourself from the routine operations of A.M. Herman and Associates (AMHA) when you assumed full-time responsibilities for the Democratic National Committee. Did you retain responsibility for, and continue to serve, any of your clients while serving as Chief of Staff or Vice-Chairman of the DNC? If yes, which clients did you continue to serve?
2. Did you continue to market the services of AMHA to new clients while serving as either Chief of Staff or Vice-Chairman of the DNC? If yes, please describe.
3. If so, did you take steps to recuse yourself from responsibilities or activities that might pose a conflict of interest during the period you were serving both as President of AMHA and as an officer of the Democratic National Committee? If so, please describe.
4. In determining whether or not potential conflicts existed, did you consult with the general counsel or an ethics officer as to what steps you should take to avoid real or perceived conflicts of interest?
5. If you did consult the general counsel or an ethics officer, please provide his or her name.

6. Your nomination questionnaire indicates that you became a consultant to the Copeland Companies while serving at the Democratic National Committee. What are the Copeland Companies and what services did you provide for them?
7. Did you provide these services only in Washington, D.C., or did you travel elsewhere to provide them?
8. U.S. News and World Report reported on June 7, 1993 that FEC reports indicated you were reimbursed by the DNC for "home decorating". Were you ever reimbursed for personal expenditures? If so, please specify and provide copies of any documents which describe the expense reimbursement policy in place at the DNC at the time of these reimbursements.
9. Please describe the circumstances leading up to the erroneous FEC filing and the steps that were taken to rectify the error.
10. As Chief Executive of the Democratic National Convention, did you let or help cause to be let any contracts to one or more companies in which you or any of your relations had or subsequently would have had a financial interest apart from publicly traded debt or equities? If so please specify.
11. As Chief Executive of the Democratic Convention, did you let or help cause to be let any contracts to one or more companies from which you or any of your relations had or would receive compensation in any form? If so please specify.

C. A.M. Herman and Associates

1. Was A.M. Herman and Associates (AMHA) required to make any applications or filings with the District of Columbia or other jurisdictions in order to conduct business in the District or across state lines?
2. If so, please provide copies of such applications or filings.
3. Please describe the work conducted by AMHA for Western Development Corporation/Avenue Associates (WDC/AA), and provide a copy of the contract outlining the terms for performance of such work.
4. White House spokesman Joe Lockhart indicated that AMHA won the contract (New York Times 2/15/97) to do the work for WDC/AA. Please provide us with a copy of the bid and a description of the method of competition employed to let the work.

5. Mr. Lockhart indicated that you and two other limited partners were given an interest in the Market Square development without investing or putting at risk any funds. Is this correct? Who was responsible for making the decision to include the limited partners in the development, and why were you chosen?
6. What was the tax treatment of this "gift". Please provide supporting documentation.
7. Please describe the work performed by AMHA on the Federal Triangle project, and provide a copy of the contract outlining the terms for performance of the work.
8. Please describe the schedule of payments to AMHA for this work.
9. Were these payments made from private or public funds?
10. Please describe the allocation of work among individuals at AMHA on the Federal Triangle project.
11. News reports at the time indicate that you lobbied congressional staff or Members, on behalf of the Delta group. Did you?
12. Did you have any meetings or conversations with congressional staff or Members wherein the project was discussed?
13. Who purchased AMHA in October 1993?
14. The public disclosure forms which you filed in 1993 and 1994 suggest a precipitous drop in the value of AMHA. Who determined the value of the firm and what method was used?
15. Did all of the contracts which you held prior to sale transfer to the new owner?
16. If not, please list those which terminated upon sale or which were transferred separately.
17. Has the purchaser(s) of AMHA continued to operate after acquiring AMHA and/or its contracts?
18. You began your work at The White House in January of 1993. You did not sell AMHA until October 1993. According to the General Services Administration, the Federal Triangle contract expired in 1995. Who performed work on the contract between the time that you began work at The White House and the sale of your company?

19. Did you or OPL extend any courtesy or provide any benefit to the purchaser of AMHA prior or subsequent to the purchase? If so, please describe.

D. Green-Herman & Associates, Inc. (GHA)

1. When did discussions begin, between you and Mr. Ernest Green or with other parties, on the formation of Green-Herman & Associates, Inc.?
2. When did you retain counsel to assist you in the formation of the company?
3. If you were engaged in preliminary discussions on the formation of a consulting business upon your departure from the Department of Labor prior to such departure, did you consult with an ethics officer as to what steps you should take to avoid real or perceived conflicts of interest? If yes, what advice did you receive? Did you follow it?
4. If you did consult an ethics officer, please provide his or her name.
5. Did you take steps to recuse yourself from responsibilities or activities that might pose a conflict of interest during the period you were contemplating or effecting the formation of a private consulting business?
6. Please provide the names of all individuals who worked at Green-Herman in 1981, either as statutory employees, partners, or as independent consultants.
7. When did GHA begin work on the Mel Harris contract, the memorandum of understanding of which you signed on April 3, 1981?
8. Did any of the individuals listed in response to question 6 not work on the Mel Harris contract?
9. If any did not, please identify the individual(s).
10. Please identify each of the contracts (and their approximate dollar value) on which Green-Herman was working at the time of Chairman Hatch's inquiry to Mr. Green in June, 1981.
11. In July of 1981, your attorney, Mr. James Christian, wrote to Senator Hatch stating that "Green-Herman has conducted a thorough review of all its contractual undertakings since January, 1981." You have indicated to committee staff that you did not recall seeing the letter until December of 1996. Has your recollection changed since you met with staff in December?
12. Can you suggest how an "thorough review" would fail to uncover the Mel Harris contract?

13. Mr. Green during his testimony before the Labor Committee in October 1981 indicated there was a "misunderstanding" as to what Chairman Hatch was seeking. While you obviously cannot speak for Mr. Green, can you today proffer a reason as to why there would be a misunderstanding of what Chairman Hatch sought?
14. Were there any significant problems in the conduct of the Mel Harris contract?
15. Were any of your expenditures on the Mel Harris contract questioned or disallowed by the Department of Labor?
16. If yes, what was the basis for disallowing the items and how were these issues resolved?
17. Please list all sources, and the amount, of income received by Green-Herman during its first year in business. Please list all sources of loans, and the amount received by Green-Herman during its first year in business. Did any of the individuals and/or entities listed above benefit, directly or indirectly from any CETA grants or contracts awarded prior to the end of the Carter Administration?

E. Department of Labor

1. Please describe your role, and that of the Women's Bureau, in the planning and award of CETA grants or contracts.
2. Were any CETA funds allocated, formally or informally, for Women's Bureau initiatives?
3. What Women's Bureau promoted initiatives, if any, were funded during the last year of your tenure?
4. Please describe your role in the awarding of CETA contracts in the closing weeks of the Carter Administration.
5. Although you had little or no grant or contracting authority personally, did you advocate for certain grants or contracts during this period with individuals who did have such authority?
6. If the answer to the previous question is yes, for which grants or contracts did you advocate?
7. In what form(s) did any such communication take place?
8. What was the records retention policy in place at the Department of Labor at the time?
9. In April of 1981, the IG's office was informed that the chronological file of all Women's Bureau correspondence corresponding to your tenure at the Women's Bureau could not be located. Can you explain the absence of these chronological files?

10. Was your travel to and presence in the Patrick Henry building during the final weeks of the Carter Administration limited to attendance at a few parties for departing staff? If no, please describe the reason for these visits.
11. Did you utilize Mr. William Kacvinsky's office to assist in the awarding of grants or contracts during the final days of the Carter Administration?
12. Did you discuss the awarding of grants or contracts with anyone in the Patrick Henry building while you were attending events for departing staff?

U.S. Department of Labor

Solicitor of Labor
Washington, D.C. 20210



February 6, 1997

Mark Powden
Staff Director
Committee on Labor and
Human Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Powden:

Enclosed please find the lists of DOL Detailees and Agency Representatives to the White House that you requested.

If we can be of any further assistance, please do not hesitate to call.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Davitt McAteer", is written over a large, stylized checkmark or flourish.

J. Davitt McAteer
Acting Solicitor

Enclosures

cc: Nick Littlefield
Committee on Labor and Human Resources
United States Senate

FY 1997 DETAILS TO WHITE HOUSE

1. Kris Balderston
TO: Cabinet Affairs
6-1-95 (approximate) to present
2. Carolyn Wofford
TO: Presidential Personnel
12-11-96 to present
3. Jeff Cohen
TO: White House Counsel
11-18-96 to present
4. Paula Lincoln
TO: White House Counsel
11-18-96 to present
5. Katherine Bibb Hubbard
TO: Cabinet Affairs
10-15-96 to present
6. Richard Socarides
TO: White House Office of the Deputy Chief of Staff
6-27-96 to 9-20-96
7. *Jay Rosenblum
TO: Office of Counsel to the President
5-13-96 to 8-23-96
*Period entirely in FY 96

NOTE: Reflects total assignment time of all on detail as of today

FY 1997 AGENCY REPRESENTATIVES TO THE WHITE HOUSE

1. Richard Hayes
TO: Office of Public Liaison
4-3-95 to present
2. Linda Paris
TO: Community Empowerment Board
10-2-96 to present
3. John Nester
TO: Community Empowerment Board
10-1-95 to present
4. *Carolyn Wofford
TO: White House Interagency Committee on Women's
Business Enterprise
7-17-96 to 11-13-96
* Period overlaps FY 96 and FY 97

NOTE: Reflects total assignment time of all on detail as of today

CAM

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