

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual
collections.

Collection: Meese, Edwin III: Files
Folder Title: Assassination Report [3 of 4]
Box: CFOA 28

To see more digitized collections visit:
<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library
inventories visit:
<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at:
reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: MEESE, EDWIN

Archivist: kdb/srj
FOIA ID: 97-098/3 Phelan

File Folder: Assassination Report (3) CFOA 28

Date: 03/02/00

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. analysis	of resources. Change in responsibilities. 1p.	n.d.	E7 B7
2. analysis	of resources. Change in responsibilities. 1p.	n.d.	E7 B7
3. memo	to Director Dept. of Treas. from Deputy Director re: Head quarters Emergency Situation Response. (partial, p 3,4)	5/20/80	E7 B7 CBS 12/15/00

RESTRICTIONS

P-1 National security classified information [(a)(1) of the PRA].
 P-2 Relating to appointment to Federal office [(a)(2) of the PRA].

P-3 Release would violate a Federal statute [(a)(3) of the PRA].
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
 P-6 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.

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

C. United States Customs Service

LEGAL AUTHORITY

The United States Customs Service assesses, collects, and protects the levying of, import duties and taxes; collects import and export statistics; enforces customs and related laws against contraband smuggling; controls carriers, persons, and articles entering or departing the United States by enforcing the Tariff Act of 1930 and other statutes and regulations governing international traffic and trade; and enforces the reporting requirements of the Bank Secrecy Act by investigating financially motivated crime involving currency reporting violations.

COOPERATION WITH SECRET SERVICE

Customs does not have any written agreement with the U.S. Secret Service concerning cooperation or the exchange of information. The Office of Border Operations has a Liaison Group which works with the Secret Service and other law enforcement agencies. For example, Customs has in the past established "look-outs" for certain suspects at the request of the Secret Service. This involves placing the individual's name in the Treasury Enforcement Communications System (TECS) 6/ and requesting that Customs personnel notify the appropriate authorities if that person passes through Customs.

Customs agents also, at the request of the Secret Service and pursuant to Public Law 90-331, as amended, augment Secret Service protective details. For example, approximately 400 Customs agents were actively involved in the protection of the Presidential candidates during the 1980 campaign.

6/ The Treasury Enforcement Communications Systems (TECS) is a system of telecommunications terminals located in various law enforcement facilities and connected to a computer in San Diego, California. Participants within the Department of the Treasury are the Customs Service, the Bureau of Alcohol, Tobacco and Firearms and the Internal Revenue Service.

EMERGENCY PERFORMANCE

Procedures

The Customs Service does not have any formalized plans or procedures in place in case of an assassination or attempted assassination of the President, although it does have contingency plans set up for events such as nuclear war or terrorist attack. If an emergency situation were to arise, Customs has duty officers in its headquarters Office of Investigations until about 8:00 p.m. In addition, the Sector Communications Center maintains a 24 hour, 7 day a week, communications operation; in the event of a late night or early morning emergency, the Center would contact the Assistant Commissioner who is then "on-call."

In some emergency situations, Customs may have authority for limited periods of time to seal the country's borders or close ports of entry or egress. Although there are no constitutional or statutory provisions which specifically authorize such action, there are several statutes and executive orders, such as Executive Order 11490, as amended, which give the Secretary of the Treasury (and by delegation, Customs) varying degrees of control over border movements of conveyances, persons and goods. When these statutes are read in conjunction with the various laws and executive orders granting the Attorney General and the Secretary of State authority to control the movement of persons across the borders, it seems clear that the three Departments can coordinate efforts at least to order the sealing of borders for limited times.

The ability physically to seal a border would depend on the scope of the action (geographic and time factors) and on the availability of personnel not only from Customs but also from other Federal, state and local agencies.

Execution on March 30, 1981

The only involvement of the Customs Service in the investigation of the attempted assassination of the President arose out of requests by the FBI and the Secret Service for searches of the "Archive System," a part of TECS which is used primarily by Customs Special Agents to verify that a particular vehicle or person has entered the United States.

Archive records are created when a person (or vehicle) passes through Customs and the Customs Inspector, as part of the routine inspection, queries TECS. All primary queries are logged and stored showing the date, time, and place that the query was made.

Normally, the Customs Inspector will query TECS for each incoming person by entering the person's date of birth and name. Often, however, Customs Inspectors are rushed (Customs cleared more than 297 million persons entering the United States in fiscal 1980) and do not follow this procedure. Particularly in some of the larger ports, queries for many of the passengers will not be entered, or, if the name is entered, will not include the passenger's date of birth.

When an archives search was run on John Hinckley and two aliases, there were several "hits" showing that a person with that name had passed through Customs coming into the United States. Unfortunately, no date of birth was entered for any of the names so it was not immediately apparent whether any of the hits might be the John W. Hinckley, Jr., who was the suspect in the attempted assassination of the President.

In certain instances, Customs is able to go to the ports of entry indicated on the hits and pull the written baggage declarations for those hits for which no date of birth is given. However, the hits for Hinckley were at preclearance facilities in Canada where the declarations would have been oral. None of these hits were for dates in proximity to President Reagan's trip to Canada on March 10 and 11, 1981.

Conclusions

1. Because of the nature of the assassination attempt on March 30, there was relatively little that Customs could do, either to warn the Secret Service in advance or to participate in the follow-up investigation. While the Archive System might be useful in establishing the international travel patterns of a suspect or suspects, it does not appear to have been of much assistance in the current investigation.

2. Current law may permit the Secretary of the Treasury to coordinate efforts with the Secretary of State and the Attorney General to order the sealing of the country's borders for limited times. No current procedures exist for implementing such a program following an assassination or attempted assassination.

Recommendation

Executive Order 11490, as amended, should be further amended specifically to authorize the Secretary of the Treasury to develop plans and procedures, in coordination with the Department of State and the Department of Justice, for controlling conveyances arriving at or departing from ports of entry, airports having international arrivals and departures, and the land and sea borders during emergencies. Such plans should be updated and attention given to developing procedures to deal with the particular problems arising out of attempted assassinations of the President.

D. Office of the Secretary

EMERGENCY NOTIFICATION AND CRISIS MANAGEMENT

Departmental Notification Procedures

The attempt on the President's life on March 30, 1981, occurred during regular business hours in the presence of the news media. As a consequence, notification of the Treasury Secretary and other members of the Department was accomplished in large part through the normal dissemination of news. In this respect, as in others, the events of March 30 did not test the adequacy of existing procedures.

The Secret Service Intelligence Division duty desk, which functions as the Secret Service Headquarters Command/Control Center in the event of an assassination attempt, has written procedures for notifying the protective detail assigned to the Secretary of the Treasury and the Special Agent assigned to the Assistant Secretary (Enforcement and Operations) if an attempt on the President's life should occur.

There is also a notification system available for alerting some cabinet agencies. That system is the Central Locator System which is established by the White House and operated by the White House Communications Agency through the White House Signal Switchboard. The Central Locator System, which is maintained by the Federal Emergency Management Agency (FEMA), provides information to the White House on the location of legal successors to the Presidency -- the Vice President, Speaker of the House, President pro tempore of the Senate, and cabinet officers in order of the establishment of their departments.

Under emergency conditions, the White House Communications Agency may instruct FEMA to ask the successors to keep the White House Communications Agency informed of their whereabouts at all times.

Execution of Departmental Notification Procedures

The Secretary's Secret Service detail was notified by the Intelligence Division duty desk that the assassination attempt had occurred and immediately alerted the Secretary, who went to

the White House. The Secretary's immediate office notified the Under Secretary for Monetary Affairs, the Secretary's Executive Assistant and his Special Assistant.

The White House did not tell FEMA to amplify the routine use of the Central Locator System in order to require notification to the White House in the event of any change in location by the successors. It is not entirely clear what happened at FEMA on the afternoon of March 30 because different people have different recollections of events. However, it appears that between 3:30 p.m. and 4:00 p.m., FEMA, acting on its own, contacted the office of each successor to determine whether the staff there knew where the successor was, and whether he would notify his office of any change in location. Each office answered both questions in the affirmative. This was not an attempt to find out where the successors were, but merely an effort to determine how much effort would be required if the White House were to order emergency use of the Central Locator System.

Office of the Secretary Notification Procedures

Within the Treasury Department, the Office of the Secretary consists of the Department's top officials, including the Deputy Secretary, Under Secretaries, and Assistant Secretaries, and the General Counsel; the term "Office of the Secretary" should be taken to refer to all these officials as a group, together with their supporting staff of 1,500, unless the context otherwise requires.

Despite a lack of formal rules, notification within the Office of the Secretary is handled by the Treasury switchboard, located within the Telecommunications Center, and the Watch Office, a part of the Executive Secretariat. The switchboard operates 24 hours a day, seven days a week. Generally, the switchboard gives notice of emergency situations to the Watch Office and individuals in the Office of Administration. The Watch Office then determines which top officials should be notified; the switchboard locates those officials upon request.

The Watch Office screens all incoming traffic, including State Department cables, press, Defense, CIA and NSA reports, and alerts Treasury officials who have a need to know about unusual events or emergency conditions. There are no written procedures describing how these functions are carried out. Generally, the duty officer determines what events are signi-

ficant enough to warrant notification, and which officials should be notified, based on his or her individual judgment and experience. When in doubt, the duty officer can consult with the senior briefing officer or counterparts at the White House, CIA, State Department, or the Pentagon.

In the event of an assassination attempt, notification would go to the Secretary (either directly or through his immediate staff), to the Assistant Secretary (Enforcement and Operations), and to the Office of Intelligence Support. Depending on the circumstances, other officials would also be notified, but there is no written list which is required to be followed.

When both the switchboard and the Watch Office function around the clock, emergencies developing after hours present no particular difficulty. The Watch Office has recently limited its coverage on weekends, however; this will create blind spots during the periods when the Watch Office is closed.

Implementation of Notification Procedures
by the Office of the Secretary

On March 30, a Treasury operator in the Telecommunications Center learned of the assassination attempt from a friend and, on her own initiative, immediately notified the individuals named on the list contained in the Facility Self-Protection Plan (this Plan is primarily concerned with situations posing threats to the Treasury Building). The Assistant Secretary for Administration was notified by the Director of the Office of Administrative Programs, whose name appears on the list and who had been notified by the switchboard. The Assistant Secretary for Administration immediately called the Secretary and both Under Secretaries, and found that all three had already been informed.

The officer on duty in the Watch Office, who learned of the attempted assassination when the news appeared on the Watch Office wire, immediately notified the Office of Enforcement and Operations, and had copies of the wire stories delivered to the Secretary's Executive Assistant and the Office of Intelligence Support. The Executive Secretariat was also notified. The Watch Office continued to monitor the situation so that any changes in the President's condition could be relayed to the same offices; of course, extensive television coverage obviated the need for this activity.

Bureau Notification Procedures
and Execution

There are no existing procedures pursuant to which Main Treasury notifies the various Treasury bureaus of emergency situations.

There is no indication that any Treasury bureau received notification of the March 30 incident through formal Treasury channels.

Office of the Secretary
Crisis Management Procedures

The only emergency plan in place for the Treasury Department, short of one requiring evacuation of principal officials from the immediate Washington, D. C. area, is the Facility Self-Protection Plan. This plan is not designed to deal with crises other than physical threats to the security of Treasury facilities. It does not contain procedures which should be followed in the event of an attempt on the life of the President. In addition, the Plan is not well-known outside the Office of Administration, which was responsible for its preparation.

Office of the Secretary
Crisis Management Execution

The Secretary was informed of the incident within two or three minutes by one of the Secret Service Special Agents assigned to his protective detail. Despite the absence of formal procedures, attempts to notify the Secretary were also undertaken by several other offices, including the Acting Assistant Secretary for Enforcement and Operations, the Assistant Secretary for Administration, the Watch Office, and the Treasury Security Force.

Within five minutes of his notification, the Secretary was en route to the White House, where he remained until about 8:00 p.m. He maintained telephone contact with his immediate staff from the Situation Room. The Deputy Secretary and the Assistant Secretary-Designate for Enforcement and Operations, both of whom were in California, were informed promptly and were contacted again after the President's injuries were known (at about 3:15 p.m.) in order to make arrangements for their respective returns to Washington that evening.

Conclusions

1. There are no adequate procedures for insuring that top officials of the Treasury Department are promptly notified in the event of a crisis such as an assassination attempt. Although media coverage during a normal working day obviated this problem on March 30, the unstructured way in which the notification process occurred within Treasury raises concerns about the ability to insure prompt notification under less favorable conditions.

2. There are no procedures in place for the notification of necessary officials throughout the government in the event of an attempted assassination or similar crisis. This should prompt concern about the ability of top Federal officials to be able to respond quickly when a crisis occurs under less favorable conditions than prevailed on March 30.

3. There was no focal point for crisis management activities at the Treasury Department on March 30. There were no established channels of communication to direct the flow of information into, out of, and within the Treasury Department. Because of the favorable outcome and fortuitous circumstance of this crisis, no harm was done, but there is a question whether the Treasury's procedures are equal to a more sustained crisis.

4. These deficiencies could have been reduced or eliminated if an adequate crisis management plan, including the establishment of a central point for communications and direction, had been in place.

Recommendations

1. (a) The Office of the Secretary should establish an orderly procedure for providing top policy officials with prompt notification whenever a crisis such as an assassination attempt occurs. This procedure should include a regularly updated list of individuals to be contacted. The decision on which officers to notify should not be left to the discretion of the switchboard or the Watch Office, although these offices should be assigned the task of notification. The procedures should also provide for notice to be given to top officials within the various Treasury bureaus.

The responsibility for developing these procedures should be assigned to the Office of Enforcement and Operations, in coordination with the Office of Administration and the Office

of the Under Secretary for Monetary Affairs.

(b) Consideration should be given to the creation of procedures to ensure notification of all Federal cabinet level agencies in the event of a crisis with the potential significance of an attempted assassination of the President. The development and administration of this system should be under the direct control of the White House; there is no apparent need for the introduction of the cumbersome additional layer of activity associated with White House use of the Central Locator System through the Federal Emergency Management Agency.

2. The Office of the Secretary should develop a crisis management plan which can be implemented in the event of an attempted assassination of the President. The plan should provide for the establishment of a crisis management center in the Office of the Deputy Secretary, to maintain contact with the Secretary and coordinate all Treasury Department activities. The Office of Enforcement and Operations should be responsible for developing this plan.

RESPONSIBILITIES WITH RESPECT TO
CAPITAL AND FINANCIAL MARKETS

Domestic Financial and Securities Markets

Procedures

There are no procedures for actions to be taken with respect to domestic financial or securities markets in an emergency. The Treasury Department has no direct regulatory or supervisory authority over the operations of domestic financial, securities, or commodities markets, but its lead role in the formulation and execution of economic policy requires it to concern itself, at least in crisis situations, with the smooth and orderly functioning of these markets. Moreover, the government financing and debt management responsibilities of the Treasury Department require it maintain a direct interest in the smooth and orderly functioning of the Government securities markets.

Treasury Department Order 103-1 (April 30, 1981), places the prime staff responsibility for reflecting these market-based concerns with the Office of the Assistant Secretary (Domestic Finance). Pursuant to this authority, the Domestic Finance office monitors conditions in the financial markets each business day and prepares regular market reports and updates for senior Treasury officials.

The Treasury Department has no legal authority to deal directly with disorderliness in the domestic financial or securities markets. Most officials believe that in the event of an emergency such as an attempted assassination of the President trading will stop in the government securities market (which is an over-the-counter market) and will be halted by the exchanges on which corporate securities are traded.

If this does not occur regulatory intervention to close securities exchanges is authorized by section 12(k) of the Securities Exchange Act of 1934. Such a mandatory closing by the Securities and Exchange Commission (SEC) requires approval by the President and has never been exercised.

Events on March 30

At the time of the attack on the President, the key Treasury domestic finance officials, Assistant Secretary-Designate Roger W. Mehle and Acting Assistant Secretary John E. Schmidt, were attending a meeting with, and in the office of, Dr. Beryl Sprinkel, Under Secretary for Monetary Affairs-Designate. The Secretary's office called Dr. Sprinkel with the news at approximately 2:40 p.m., and the meeting was immediately adjourned. Mehle and Schmidt went to the Treasury market room outside Schmidt's office to observe the reaction of financial markets and to follow news reports coming across the wire. The conclusion of initial news reports was that the President had not been shot, and while the stock market moved downward (the Dow-Jones average of industrials fell from 998 at 2:30 p.m. to 992 at 3:00 p.m.), the market reaction was not particularly sharp.

Shortly thereafter word came that the President had in fact been injured. Schmidt returned to the market room. Within minutes he was called by Douglas Scarff, Director of Market Regulation at the SEC, who said that the various stock exchanges had decided to close voluntarily. All of the exchanges closed between 3:17 and 3:23 p.m. EST.

Press accounts and subsequent interviews make it clear that upon the first reports of the incident the governors of the various stock exchanges had prepared themselves for a rapid shutdown. NYSE officials had been observing the build-up in selling pressure (the Dow-Jones fell an additional two points after 3:00 p.m.) and when the wire services reported the wounding of the President at 3:16 p.m., immediately decided to close the exchange. This action avoided a sharp reaction such as those which followed the Kennedy assassination (a fall in the Dow-Jones from 732 to 711 in less than thirty minutes with an estimated paper loss of \$11 billion) and the Eisenhower heart attack in 1955 (a fall in the New York Times index of 24 points, to 309.3, with an estimated paper loss of \$14 billion).

At the time of the shooting, the Federal Reserve Bank of New York was in the process of executing an order for \$500 million in Treasury bills for a foreign customer. Since initial reports were that the President was unharmed, the New York Fed, after consulting with some of the dealers, decided to execute the order routinely -- in part to signal stability and calm. Although word that the President had been hit came before completion of this transaction, it was executed without

any noticeable anomaly in yields; otherwise, trading came to a halt.

Later in the afternoon, after the closings, Schmidt further discussed the market situation with officials from the SEC and the New York Fed. It was agreed that in light of the favorable preliminary reports on the President's condition, there appeared to be no reason to postpone the Treasury auction of seven year notes scheduled for the next day, or to close the stock markets.

Commodity futures markets were not significantly affected. Commodity futures exchanges had closed, on their usual schedules, prior to news that the President had been hit.

After word that the President was out of surgery with a favorable prognosis, Secretary Regan asked Mehle to advise the SEC and the Commodity Futures Trading Commission that he hoped that the markets under their jurisdiction would open at the usual time the following day. On Tuesday, March 31, Secretary Regan appeared on morning television to report on the President's condition. The markets opened that day with an improved tone, relieved at the outcome, and no further actions were taken.

International Financial Markets

Procedures

Section 10 of the Gold Reserve Act of 1934, as amended, 31 U.S.C. Sec. 822a, establishes the Exchange Stabilization Fund (ESF) and authorizes the Secretary of the Treasury to utilize the fund to deal in gold and foreign exchange, and such other instruments of credit and securities as he may deem necessary "consistent with the United States['] obligations in the International Monetary Fund regarding orderly exchange arrangements a and stable system of exchange rates". On April 27, 1978, the United States notified the IMF, in accordance with Article IV of the IMF's Articles of Agreement, that as part of the exchange arrangements of the United States, "the authorities [will] intervene when necessary to counter disorderly conditions in the exchange markets." 7/

7/ Letter of April 27, 1978 from Under Secretary (Monetary Affairs) Anthony M. Solomon to J. Witteveen, Managing Director, IMF.

Exchange market operations of the ESF are conducted, at the instruction of the Treasury, by the Federal Reserve Bank of New York, as fiscal agent.

Authority over operations of the ESF is specifically delegated by the Secretary to the Under Secretary (Monetary Affairs), Dr. Beryl Sprinkel. The Assistant Secretary (International Affairs), Marc Leland, is the principal advisor to the Under Secretary on international monetary matters, including use of the ESF. Within the Office of the Assistant Secretary (International Affairs), it is the Deputy Assistant Secretary (International Monetary Affairs), Thomas B.C. Leddy, and specifically Director of the Office of Foreign Exchange Operations, Frederick L. Springborn, who has principal responsibility for policy formulation and implementation regarding U.S. exchange market intervention.

There are no written procedures governing exchange market operations for the account of the ESF. Guidelines on particular exchange market intervention are set by the responsible Treasury officials as frequently as necessary, conveyed to subordinate officials (who are within close physical proximity), and telephoned to the New York Fed for execution.

Similarly, there are no written or otherwise articulated standards within the Treasury Department on currency stabilization actions to be taken in an emergency, or procedures for reacting to an emergency that occurs outside the normal business hours of the Treasury.

Federal Reserve System Authority To Buy and Sell Foreign Exchange

The Treasury Department is not the only instrumentality of the United States that engages in foreign exchange markets intervention. The Federal Reserve System purchases and sells foreign exchange on the authority of Sec. 14 of the Federal Reserve Act, 12 U.S.C. Sec. 355. This authority has been implemented, as a technical matter, by the Federal Open Market Committee (FOMC), which is created by 12 U.S.C. Section 263.

The FOMC has issued a Foreign Currency Directive requiring that Federal Reserve System operations in foreign currencies shall generally be directed at countering disorderly market conditions, provided that market exchange rates for the U.S. dollar reflect actions and behavior consistent with Article IV

of the IMF's Articles of Agreement. The Federal Reserve Bank of New York conducts the authorized foreign exchange operations through the Manager of the System Open Market Account.

Thus, both the Treasury (through the ESF) and the Federal Reserve System intervene in foreign exchange markets in furtherance of the U.S. policy to counter disorderly foreign exchange markets. Both entities conduct their operations through instructions to the same individual, the New York Fed's Manager of Operations, System Open Market Account, and his operational arm, the Foreign Trading Desk.

Operational Arrangements Between the Treasury Department and the Federal Reserve System

Historically, there has been a pattern of cooperation between the Federal Reserve System and the Treasury Department in U.S. exchange market intervention policy and implementation. By March of 1981, operational personnel of the Federal Reserve Board, the New York Fed, and the Treasury Department were in the habit of coordinating their activities closely. They would consult frequently throughout the day on any U.S. intervention that seemed appropriate, and hold a wrap-up conference call each day. Since the Treasury Department's decision in late March 1981 to take a less active role in currency stabilization, there has necessarily been less coordination between Treasury and the Federal Reserve on such matters, but on March 30, 1981, both organizations had procedures in place to act jointly.

Execution on March 30, 1981

By coincidence, the attempt on President Reagan occurred within three minutes of the scheduled daily 2:30 p.m. conference call among Mr. Springborn, Ted Truman (Federal Reserve Board, Director, International Division), and the New York Federal Reserve Bank personnel operating the Foreign Trading Desk. Word of the attempt was passed from the New York Fed's domestic trading desk during the call.

Measured against the German mark, the dollar had opened at DM 2.1243 in New York, and had declined to DM 2.0755 prior to 2:30. The dollar quickly dropped on virtually no trading to around DM 2.0650 shortly after broadcast reports of the incident. By around 2:43 p.m. Reuters carried a story on the

attempt in which it -- like all other news sources at the time -- stated that the President had not been hit. Shortly thereafter, some commercial banks indicated quotes for the dollar around DM 2.0675.

Between 2:45 p.m. and 3:00 p.m., the news reports remained unclear, but pressure began to build in the exchange markets as belief grew that the President had been shot. Trading was not active and the dollar remained around DM 2.0650, but the Treasury officials watching the market decided that official intervention would be helpful to steady market conditions and prevent speculative selling of dollars. After conferring with Springborn, Leddy went to then Undersecretary-Designate Sprinkel who concurred that intervention should be authorized.

In the meantime, the Federal Reserve Board had been active. The Manager of the Foreign Department, New York Federal Reserve Bank, happened to be visiting at the Federal Reserve Board in Washington at the time of the attempt. Acting on his own authority, he arranged for the Federal Reserve Board to provide to the New York Fed authorization for intervention comparable to that provided by Treasury. It was assumed throughout this process that intervention would be undertaken equally for the System Open Market Account and the Exchange Stabilization Fund.

The wire services reported the wounding of the President at 3:16 p.m.; the New York and American stock exchanges had closed within a minute of that announcement. At 3:30 p.m., the New York Fed commenced foreign exchange operations, undertaking them primarily through New York brokers. This approach was intended to circulate word, through the activity of the brokers, that the Fed was buying dollars without providing any exact information on the extent of the intervention. Intervention continued until 5:00 p.m., when the market effectively stopped trading for the day. A total of \$74.4 million equivalent of German marks had been sold by the Fed by that time, and the dollar had been supported at around DM 2.0650.

By prior agreement, the New York Fed trading desk remained operational throughout the night, ready to intervene in the Hong Kong and Singapore markets. No further activity was necessary, however, as the dollar rose from DM 2.0735 in early Hong Kong trading to DM 2.0973 at the opening in Frankfurt. Treasury officials attribute this trend to the combination of the favorable medical news about the President that developed during the evening of March 30 and the knowledge that the United States had operated in support of the dollar.

Banking Regulation:
Office of the Comptroller of the Currency

Procedures

The Office of the Comptroller of the Currency is charged with regulating and supervising approximately 4,500 national banks. It has no formal procedures for dealing with emergencies similar to an attempted Presidential assassination. In any such emergency the Office regards its responsibilities as including the monitoring of the money markets for signs of activity which might threaten the stability of the banking system, and, in extreme conditions, taking action under 12 U.S.C. Sec. 95(b)(1), which permits the Comptroller of the Currency to close national banks by declaring legal banking holidays.

Actions on March 30

On March 30, although there was some turbulence in financial markets following the first reports of the attempted assassination of the President, market disorder did not approach a level which would warrant action by the Comptroller of the Currency, and no action was taken.

Conclusions

1. There were no procedures in place to guide Treasury Department activities with respect to monitoring domestic financial, securities, and commodities markets and in consulting with officials of the New York Fed, the SEC, and the CFTC. Officials in Treasury's Office of Domestic Finance nonetheless acted appropriately in discharging their consultative responsibilities on March 30.

2. There were no procedures in place to guide Treasury Department intervention in the foreign exchange markets on March 30. Without pre-arrangement, Treasury officials acted in concert with the Federal Reserve System to intervene in support of the dollar; that intervention appeared to be effective. Because the Treasury and the Federal Reserve System have no standing arrangements as to intervention, it is not possible to conclude that a similar joint intervention in the future will be handled the same way.

Recommendations

1. After obtaining the permission of the individuals involved, Treasury's Office of Domestic Finance should compile a telephone list (office and home) of senior officials and senior staff at the New York Federal Reserve Bank, Securities Exchange Commission, and Commodities Futures Trade Commission, who would be concerned at times of emergency with domestic financial, securities, and commodities markets. Treasury should take responsibility for distributing this list and updating it at least semi-annually (more frequently at times of transition).

2. Treasury should seek to have the Presidential approval authority for the mandatory closing of stock exchanges (and suspension of all other trading), under Section 12(k) of the Securities Exchange Act, delegated to the Secretary of the Treasury. In light of the possible circumstances in which this power might be exercised, it seems prudent to provide for an officer of the United States other than the President to exercise what is, in effect, a veto authority over Securities and Exchange Commission action. Given Treasury's role in financial and economic matters, the Secretary of the Treasury seems the appropriate official for this purpose.

3. Without a greater indication that the existence of procedures for intervening in the currency markets would materially improve Treasury's actions in a crisis arising out of an attempt to assassinate the President, we do not recommend the establishment of such procedures at this time.

OFFICE OF THE SECRETARY
BUILDING AND PERSONNEL SECURITY

Procedures

Primary responsibility for the physical protection and security of the Main Treasury and Annex buildings and grounds resides with the Treasury Security Force, which is part of the Secret Service. In exercising this responsibility, the Security Force has the authority to prevent or limit access to these buildings, to search packages and otherwise act to protect Treasury personnel when the circumstances warrant such action. In other buildings occupied by Treasury agencies, these functions are under the control of the primary occupant of the building and are completely independent of the Treasury Security Force and Secret Service.

The Security Force reports to and takes direction from the Special Investigations and Security Division within the Office of Investigations at Secret Service. The Security Force has no written or other specific procedures to be implemented in the event of an attempted assassination of the President, and which Treasury officials would have the authority to direct the Security Force in such a situation is unclear.

Regulations which currently govern conduct in the Main Treasury and Annex buildings provide that these buildings may be closed to the public "when, in the opinion of the Assistant Secretary for Administration, or his delegate, an emergency situation exists." (31 CFR 407.3). Secret Service officials agree that there are circumstances -- such as a bomb threat requiring evacuation, or a fire -- in which it would be appropriate for the Assistant Secretary for Administration to act to close the building. They are concerned, however, that an attempted assassination of the President is of a different character. In such a case, the directions and priorities of the Secret Service, and of the Assistant Secretary for Enforcement and Operations to whom the Service reports, should be paramount. If procedures are developed to deal with future assassination attempts, the question of which agency or officer has the authority to direct the Security Force under those circumstances must be resolved.

Actions on March 30

On March 30, the Treasury Security Force initially learned of the attempted assassination through routine monitoring of Secret Service radio frequencies, followed by broadcast news reports. The Security Force did not receive any special instructions from Secret Service or from the Assistant Secretary for Administration, and carried out its duties in a routine manner.

Conclusion

The provisions of 31 CFR 407.3 require further clarification, since it is unclear whether the Assistant Secretary for Enforcement and Operations (through the Secret Service) or the Assistant Secretary for Administration has the authority to direct the Treasury Security Force in the event of an emergency such as an attempted assassination of the President.

Recommendation

The Treasury Security Force should have a clear line of authority from which it receives directions in crisis situations. A crisis such as an assassination attempt would appear to require that the reporting responsibilities of the Treasury Security Force should be to the Assistant Secretary for Enforcement and Operations, an authority with supervisory responsibility over the Secret Service. For this purpose, the definition of "emergency" as used at 31 CFR 407.3 should be appropriately refined.





THE SECRETARY OF THE TREASURY

WASHINGTON 20220

April 28, 1981

MEMORANDUM FOR THE GENERAL COUNSEL

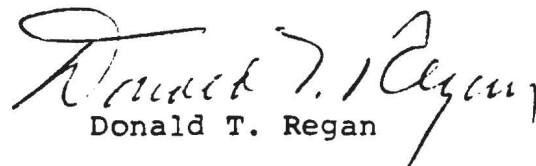
SUBJECT: Investigation of March 30 Attempt on the Life of President Reagan.

On March 30, 1981, the President and three other persons were shot in an apparent assassination attempt at the Washington Hilton Hotel.

This incident tested the adequacy of the procedures, facilities and personnel, many of them at the Treasury Department, for protection of the President and dealing with the consequences of events such as that on March 30. In particular, the U.S. Secret Service, a bureau of the Department, is responsible for protecting the President; the Secret Service and another Treasury unit, the Bureau of Alcohol, Tobacco and Firearms, have responsibility for law enforcement investigations; and the offices of Domestic Finance and International Monetary Affairs, among others, have responsibilities for such matters as ensuring stable domestic and foreign financial markets.

I am directing you to investigate the way in which the Department handled this matter, and to report your findings and recommendations to me by June 1, 1981. The investigation and report should cover all aspects of the incident, including the adequacy of procedures, facilities and personnel for (i) ascertaining the existence and assessing the seriousness of threats to the President, (ii) protecting the President in his public activities, and (iii) responding promptly and effectively to this and similar incidents. On March 30, 1981, this nation narrowly avoided a tragedy; your report should focus not only on the event itself, but also on its lessons for the future.

In the conduct of your investigation and preparation of your report to me, you are to have the full cooperation of all persons and agencies within the Department, including unlimited access to all persons, files, and ADP storage and the use of any staff or other resources you deem necessary.


Donald T. Regan



THE SECRETARY OF THE TREASURY
WASHINGTON

April 28, 1981

Dear Mr. Attorney General:

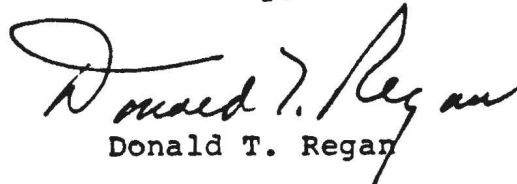
As a result of the tragic events associated with the attempted assassination of the President on March 30, 1981, this Department is undertaking a Departmental review of its own preparedness for, and responses to, incidents of this character. The inquiry will encompass the activities of the Secret Service, the Bureau of Alcohol, Tobacco and Firearms, and those Departmental functions that have responsibility for assuring stable domestic and foreign financial markets.

To the limited extent that the activities of the Secret Service and the Bureau of Alcohol, Tobacco and Firearms were in response to, or in some way interacted with, the actions of the Federal Bureau of Investigation, information under the control of the FBI may be material to our inquiry.

Accordingly, we would appreciate the cooperation of the Department of Justice in permitting Treasury officials charged with responsibility for the inquiry to have access, under whatever safeguards you require, to those persons, documents, and rules and agreements that may be relevant or material. In order to facilitate such an arrangement, it would also be helpful if you would designate a ranking Department and/or Bureau official to act as liaison with our inquiry group.

The review is to be headed by the General Counsel of the Treasury Department. Until the nomination and confirmation of that official, contacts with this Department should be made through Mr. Jordan Luke, Assistant General Counsel (Enforcement and Operations). We will be grateful for whatever cooperation you can provide.

Sincerely,


Donald T. Regan

The Honorable
William French Smith
Attorney General
Washington, D.C. 20530



Office of the Attorney General

Washington, D. C. 20530

May 15, 1981

The Honorable Donald T. Regan
Secretary of the Treasury
Washington, D.C.

Dear Mr. Secretary:

I am writing in response to your letter of April 28, 1981, requesting the cooperation of the Department of Justice and the Federal Bureau of Investigation in your Department's review of its preparedness for, and responses to, incidents such as the attempted assassination of the President on March 30, 1981.

I have asked Rudolph W. Giuliani, the Associate Attorney General, to oversee the Department's response to your request. The Department of Justice has designated Robert Ricks to serve as a liaison to your inquiry group. Mr. Ricks is a Special Assistant to the Assistant Director of the Federal Bureau of Investigation's Criminal Investigation Division. He can be reached at 324-3120.

This Department is pleased to assist you in your inquiry. Please do not hesitate to call or write if we may be of any further assistance.

Sincerely yours,

A handwritten signature in cursive script, reading "William French Smith".

William French Smith
Attorney General

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 142 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

U. S. Secret Service

Analysis of Resources

Vis-a-Vis

Change in Responsibilities

<u>Responsibilities(Positions) Absorbed Since FY 1977</u>					
<u>SA</u>	<u>UD</u>	<u>TSF</u>	<u>Other</u>	<u>Total</u>	
<u>Administrative</u>					
1)	--	--	--	3	3
Financial Management - Transportation Section, January 1978.					
2)	--	--	--	1	1
Financial Management - Accounts Receivable, November 1979.					
3)	--	--	--	4	4
Financial Management - TPPIS Payroll, June 1977.					
4)	--	--	--	2	2
Personnel Division - Employee Assistance Program, January 1979					
5)	--	--	--	2	2
Administrative Operations Division - Safety Program, Aug. 1977.					
6)	--	--	--	2	2
Administrative Operations Division - Check Copying. Jan. 1980.					
<hr/>					
Resorbed					
Increased					
Responsibilities...	--	--	--	14	14
<hr/>					

Inflationary and Extraordinary Costs
Absorbed by the
Secret Service

Formulation of the Service's annual budget request begins nearly 20 months in advance of the fiscal year. Over this long span of time, inflation increases the cost of items which may not have been considered during the formulation period. Individually the items are not significant and are therefore rarely approved for inclusion in supplemental requests, but together over a number of years reflect a significant drain on fiscal resources. Examples include; increased cost of replacement vehicles, payment of insurance claims and indemnities, increases in penalty mail, increased costs of health benefits, and more recently, significant increases in the cost of gasoline.

In addition, the Service has been required to absorb some extraordinary protective, investigative and administrative cost items which were unprogrammed including but not limited to:

- Uniformed Division Costs during the Iranian Crisis (FY 1980)
- Unanticipated expenses of the Democratic Mini-convention, Memphis (FY 1979)
- Implementation of the TPPIS payroll system (FY 1979)
- Uniformed Division Costs-New York Detail (Periodic)
- Uniformed Division Costs-Somoza Detail, Miami (FY 1977)
- Fair Labor Standards Act

Comparison of Requests
by Object Class

		<u>FY 1977</u>	<u>FY 1981</u>
11.0	Salaries	\$ 78,091	\$109,404
12.0	Benefits	6,924	10,945
21.0	Travel	10,280	17,416
22.0	Transportation of Things	618	1,276
23.1	Standard Level User Charge	4,493	6,250
23.2	Communications, Utilities and Other Rents	4,900	7,472
24.0	Printing	356	543
25.0	Other Services	6,047	11,748
26.0	Supplies	3,484	4,173
31.0	Equipment	<u>2,837</u>	<u>5,783</u>
	Total	<u>\$118,030</u>	<u>\$175,010</u>

DEPARTMENT OF THE TREASURY
UNITED STATES SECRET SERVICE



WASHINGTON, D.C. 20223

DEPUTY DIRECTOR

660.0

May 20, 1980

MEMORANDUM TO:

Director
AD Protective Operations
AD Protective Research
AD Investigations
AD Inspection
AD Administration
ATD Public Affairs
ATD Training
Special Assistant to the Secretary
Legal Counsel
Intelligence Division
Communications Division
Liaison Division
Technical Security Division
Washington Field Office

FROM : Deputy Director

SUBJECT : Headquarters Emergency Situation Response

This memorandum updates and supersedes the memorandum of then Deputy Director Boggs, dated May 19, 1975.

The following concerns the establishment of a top level command and/or control facility where emergency situations can be coordinated. It does not preclude the use of EOB 10 when necessary.

An Incident is defined as a situation having occurred, ongoing, or anticipated which will require notification to certain Headquarters offices or divisions and/or other Service components.

An Emergency Situation is defined as an incident requiring the notification, response and coordinated command at the Assistant Director or higher level.

NOTIFICATION PROCEDURES

All notifications within an office or division should continue to be made by that respective office or division based on its known needs. Those notifications outside the Service that are made routinely by various Headquarters components should continue to be made.

The Operations Desk of the Intelligence Division is the Secret Service notification center and that division will be utilized as the Headquarters Command and/or Control Center.

The following reflects the list of offices that may need notifications. The list is not necessarily arranged according to priority, and in some situations it may not be complete. The order and extent of notification will be dictated by the situation and so ordered by the Operations Desk Supervisor.

- Director's Office
- AD Protective Research
- AD Protective Operations
- AD Investigations
- AD Inspection
- AD Administration
- ATD Public Affairs
- Special Assistant to the Secretary
- DAD Uniformed Division
- UD/White House Branch
- UD/Foreign Missions Branch
- Presidential Protective Division
- Vice Presidential Protective Division
- Dignitary Protective Division
- Candidate Nominee Protective Division
- Foreign Dignitary Details
- Secretary of the Treasury Detail
- Washington Field Office
- Technical Security Division, Liaison Division
- SAIC Intelligence Division
- DSAIC Intelligence Division
- ASAIC, Operations Branch, ID
- ASAIC, Foreign Intelligence Branch, ID
- State Department
- Federal Bureau of Investigation
- Other (Advance Teams)

RESPONSE/COMMAND

When an Assistant Director's office representative has been reached, it will be that individual's responsibility to notify the Assistant Director and other members of that office, as appropriate.

Whenever a situation is of the priority to warrant the activation of the Headquarters Command/Control Center, it will be so ordered by the appropriate Assistant Director(s). A representative from each Assistant Director's office involved with the situation and a representative of the Office of Public Affairs, depending on the situation, may also need to respond. In the event more than one Assistant Director is directly involved, the Director or Deputy Director will designate the Assistant Director "In Charge".

It is the latter's responsibility to make certain that all incoming and outgoing information/communication concerning the emergency situation is channeled through the Command/Control Center.

The Command/Control Center will terminate when the Assistant Director "In Charge" determines that the situation is sufficiently resolved that it can be handled through normal organizational channels.

REDACTED

REDACTED

REDACTE

REDACTED

REDACTED

REDACTED

REDACTED

REDACTE

REDACTED

REDACTED

REDACTED

REDACTED

REDACTE

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

Myron I. Weinstein

Myron I. Weinstein

