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THE WHITE HOUSE

WASHINGTON

September 2, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

THRU: DIANA LOZANO

FROM: MORTON C. BLACKWELL 

SUBJECT: Proposed Letter to Senators on Cloture Vote .

I have reviewed the proposed letter circulated by Ed Harper. It is an excellent letter, one which will both be persuasive to wavering Senators and inspiring to grassroots activists.

EHD
Red
Morton

SEP 2 1982

THE WHITE HOUSE
WASHINGTON

September 2, 1982

MEMORANDUM FOR: ELIZABETH DOLE
KEN DUBERSTEIN
DAVE GERGEN
MIKE UHLMANN

FROM:

Edwin Harper EDWIN HARPER *by E. Red*

SUBJECT:

Attached letter to Senators

Attached is a draft letter to Senators on the abortion issue. The next to last paragraph will be deleted for those Senators for whom we are only asking for support on cloture.

May I have your comments and recommendations not later

Attachment

THE WHITE HOUSE

WASHINGTON

September 1, 1982

DRAFT

Dear Senator:

A broad spectrum of concerned Americans are joining with me in calling upon the Senate to bring its debate on Senator Helms anti-abortion amendment to the debt ceiling bill to an end. Cardinal Krol, The Knights of Columbus and the Catholic Daughters of America support my position. Senator Hatch, whose own Constitutional Amendment against abortion I have supported, has generously joined in the call for a vote on the amendment now before the Senate. The American Life Lobby, the Moral Majority, the National Right to Life Committée and many others with whom I have shared a concern about the unborn have rallied behind calling for a vote on the Helms amendment.

This amendment is a responsible statutory approach to one of the most sensitive problems our society faces -- the taking of the life of an unborn child. Specifically, the Senate is debating an amendment which:

1. Affirms the humanity of the unborn child in our society.
2. Bans permanently federal funding and support for the taking of the life of an unborn child except to save the life of the mother, and
3. Provides opportunity for the Supreme Court to reconsider its usurpation of the role of legislatures and state courts in this area.

I realize that this amendment reflects a moderate approach. My purpose is not to impede any other anti-abortion measures including Senator Hatch's amendment that may come before you. But this is the first clear-cut vote in this Congress on the humanity of the unborn, and it is crucial that a filibuster not prevent the representatives of our citizens from expressing their judgment on so vital a matter.

Please lend your support to gaining cloture on this measure and please give the closest possible attention to the cause of our unborn fellow humans when you vote your conscience on this amendment. It is time to stand and be counted on this issue.

Page Two
September 1, 1982

Beyond the matter of cloture, it is vitally important for the Congress to affirm, as this amendment does, the fundamental principle that all human life has intrinsic value. We must never become a society in which an individual has the right to do away with inconvenient life.

I hope that you will be able to join me on this issue. If not, please give me a call.

Sincerely,

RR

THE WHITE HOUSE
WASHINGTON
September 17, 1982

MEMORANDUM FOR BECKY NORTON DUNLOP

FROM: MORTON C. BLACKWELL 

SUBJECT: Rose Garden Event --- September 20, 1982

Red Cavaney asked me to come up with names of people appropriate to attend a Rose Garden ceremony Monday afternoon at 1:30 p.m. on the occasion of the presentation to the President of a \$50 million "check" for unexpended OPIC funds.

He was very clear that the people I was to invite were not necessarily to be connected with OPIC. Because this was a significant example of government economy, I felt it would be appropriate to invite conservative organization activists, long loyal to the President, who have seldom if ever been invited to White House gatherings.

Accordingly I invited conservatives at the Kingston group this morning who would be interested in attending this Rose Garden event to give me their names, dates of birth and social security numbers. I asked them also to give me this same data for other officers or staff of their organizations whom they felt should be invited. I will probably have a list of twenty or so people by the close of business today.

I returned from the Kingston meeting to find that only people with some direct affiliation with OPIC should be invited. Is this true? If so, I will, as gracefully as possible, tell these people who expressed an interest that we aren't able to accommodate them.

cc - Red Cavaney

September 29, 1982

Dear Mr. McDaniel:

On behalf of the President, I would like to thank you for your letter of August 30 about the "Aloha, We Love America Rally" planned by the Nichiren Shoshu Soka Gakkai of America in Washington, D.C. on October 9 and 10.

Although the President appreciates very much your support, unfortunately, he will be unable to participate in this event because of previous travel plans.

Please convey the President's best wishes to George Williams and your other associates and his appreciation for your interest.

Sincerely,

WILLIAM K. SADLEIR
Director, Presidential
Appointments and Scheduling

Mr. F. Douglas McDaniel
Associate Justice
Fourth District, Division Two
Court of Appeal
State Building
San Bernardino, CA 92401

Inf . copy: Morton Blackwell

WKS:CV:mlg

THE WHITE HOUSE

WASHINGTON

September 28, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

FROM: MORTON C. BLACKWELL

SUBJECT: Advisor List: Veterans/Military Groups

Mr. Mylio Kraja 861-2711 (O) 455-3735 (H)
Executive Director, The American Legion
1608 K Street, N. W.
Washington, D. C. 20006

Mylio was helpful in bringing the largest veterans group into support of the President's economic package.

Mr. Cooper Holt 543-2239 (O) 649-1908 (H)
Executive Director

Col. Phelps Jones (Ret) 543-2239 (O) 521-6659 (H)
Director of Security and Foreign Affairs
Veterans of Foreign Wars
200 Maryland Avenue, N. W.
Washington, D. C. 20002

Phelps is considered "Dean" of the pro-defense organization activists in the D. C. metropolitan area; he has been very helpful in providing advice regarding these organizations. We have also developed a strong working relationship with Cooper Holt.

Major General J. Milnor Roberts (AUS Ret.) 479-2200 (O) 920-0074 (H)
Reserve Officers Association
Minute Man Memorial Building
One Constitution Avenue, N. E.
Washington, D. C. 20002

General Roberts is a sophisticated leader of the veterans/military community; he plays key roles both as a public spokesman and as an organizer of pro-defense activities.

THE WHITE HOUSE

WASHINGTON

September 28, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

FROM: MORTON C. BLACKWELL

SUBJECT: ADVISOR LIST: Limited Government/Conservative Groups

Mr. Paul Weyrich (Wife - Joyce) 546-3000 (O) 941-4852 (H)
Director, Committee for the Survival of a Free Congress
721 Second Street, N. E.
Washington, D. C. 20012

Paul is the conservative expert on coalition building who has, in addition, played a leading role in the creation of many major conservative organizations in Congress, in the D.C. area, and across the country.

Mr. John T. (Terry) Dolan 522-2800 (O) 836-1862 (H)
Chairman, National Conservative Political Action Committee
1500 Wilson Blvd., Suite 503
Arlington, VA 22212

Terry is the most successful conservative PAC organizer, who also heads other groups including a legal foundation, a lobby, and an education foundation.

Mr. Howard Phillips (Wife - Peggy) 893-2777 (O) 759-3929 (H)
National Director, The Conservative Caucus
422 Maple Avenue East
Vienna, Virginia 22180

Howard is an indefatigable activist, who has personally held organizational meetings in all 435 Congressional districts; he has an almost encyclopedic knowledge of the federal government.

Mr. Richard Viguerie (Wife - Elaine) 356-0440 (O) 790-0306 (H)
President, The Viguerie Company
7777 Leesburg Pike
Falls Church, VA 22043

Richard is the so-called "godfather" of the New Right, who brought direct mail expertise into politics through organizing in most areas of conservative interest.

Mrs. Connie Marshner (Husband - Bill) 546-3004 (O) 941-2004 (H)
721 Second St. N. E.
Washington, D. C. 20012

Connie is Chairman of the Library Court coalition of pro-family groups. She was Chairman of the Family Policy Advisory Board for the Reagan/Bush Committee. She is well regarded by the broad spectrum of social issue groups.

THE WHITE HOUSE

WASHINGTON

September 28, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

FROM: MORTON C. BLACKWELL

SUBJECT: Advisor List: Religious Groups

Dr. Robert Billings 245-7855 (O) 839-6986 (H)
Special Assistant to the Secretary of Education
Washington, D. C.

Bob was executive director of the Moral Majority and Reagan campaign liaison to the fundamentalist and evangelical communities.

Dr. Jerry Falwell (804) 528-0070 (O) (804) 237-3348 (H)
President, The Moral Majority
500 Alleghany Avenue
Lynchburg, Virginia 24501

Jerry is a strong supporter of the President who has awakened millions of Christians to the political process.

Mr. Ed McAteer (901) 458-3795 (O) (901) 685-6542 (H)
Executive Director, Religious Roundtable
P. O. Box 11467, Memphis, TN 38111

Ed is an organizer of coalitions of religious leaders interested in the public policy process; he is held in high regard by a wide spectrum of religious leaders, many of whom are historically at personal odds with each other.

Mr. Robert Dugan 628-7911 (O) 281-1885 (H)
Director, Office of Public Affairs
National Association of Evangelicals
1430 K Street, N. W., Suite 900
Washington, D. C. 20005

Bob has been very helpful in guiding us. He is very sensitive to the nuances of doctrinal differences among the various Protestant leaders, and he helps us avoid tripping over personality disputes which are common in this area.

Dr. William Bright
Campus Crusade for Christ
Arrowhead Springs
San Bernardino, CA 92414

Dr. Bright has been most supportive of the President and very cooperative in working with other religious leaders.

THE WHITE HOUSE

WASHINGTON

September 28, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

FROM: MORTON C. BLACKWELL

Subject: Advisor List: Indian Groups

Peter MacDonald (602) 871-4941 (O) (602) 248-8811 (H)
Chairman, Navajo Tribal Council, The Navajo Nation
Window Rock Arizona 86515

Pter MacDonald is the strong pro-Reagan leader of the largest Indian tribe; he is politically the most sophisticated of the major Indian leaders.

Ken Smith 343-7163 (O) 362-6835 (H)
Assistant Secretary for Indian Affairs, Department of Interior
Washington, D. C. 20240

Ken is the long time leader of the Warm Springs Wasco Tribe, Oregon; his relations with Indian leaders throughout the country are good.

Philip Martin 343-9484 (O)
President, National Tribal Chairmen's Association
Suite 207, 1701 Pennsylvania Avenue, N. W.
Washington, D. C.
President of Mississippi Band of Choctaws.

Ron Andrade 546-1168(O)
Executive Director
National Congress of American Indians
202 E Street, N. E.
Washington, D. C. 20002

Ron has, from the outset of this Administration, maintained a very constructive relationship with Administration policy makers.

THE WHITE HOUSE

WASHINGTON

September 28, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

FROM: MORTON C. BLACKWELL

SUBJECT: Advisor List: Fraternal and Civic Groups

Mr. Aubrey C. King 466-8424 (O) 262-8109 (H)
Director of Public Affairs
National Club Association
1625 I Street, N. W.
Washington, D. C. 20006


Aubrey King is strongly supportive of the President because of the President's commitment to private initiatives when possible in preference to government programs.

THE WHITE HOUSE

WASHINGTON

October 8, 1982

MEMORANDUM FOR RED CAVANEY

FROM: MORTON C. BLACKWELL 
SUBJECT: Senior Executive Service Seminar

I spoke yesterday to Dr. George Chall who runs the Senior Executive Service seminars for the Office of Personnel Management at Kingsport, New York. He called me at the suggestion of Ron Godwin.

Dr. Chall would like me to come address a group of one hundred SES candidates "from all Federal agencies" on October 25. I am free and would like to go. They will pay all expenses of the trip. Can you see any problem with my accepting this invitation?

Attached is the confirming mailgram from Dr. Chall.

Enclosure

601-544-5016

CARE ON MERCHANT MARINE ACADEMY
EXECUTIVE SEMINAR CENTER
KINGS POINT NY 11024



1-0336248279 10/06/82 ICS IPMMTZZ CSP WWSA
5164874501 MGM TDMT KINGS POINT NY 120 10-06 0242P EST

MORTON C BLACKWELL
SPECIAL ASSISTANT TO THE PRESIDENT FOR PUBLIC
LIAISON
WHITE HOUSE
WASHINGTON DC 20500

CONFIRMING OUR TELECON TODAY, WE WOULD BE ESPECIALLY PLEASED IF YOU
WOULD ADDRESS THE OPENING SESSION OF THE EXECUTIVE DEVELOPMENT
SEMINAR ON OCTOBER 25 AT 1:30PM. THIS REQUIRED PROGRAM FOR SES
CANDIDATES FROM ALL FEDERAL AGENCIES IS CONDUCTED CENTRALLY BY U.S.
OPM. YOUR SUBJECT "THE CHALLENGE OF THE '80'S: REFOCUSING THE AMERICAN
DREAM" HAS PROFOUND IMPORTANCE FOR CAREER SENIOR EXECUTIVES. ALL
TRAVEL EXPENSES INCLUDING AIR SHUTTLE WILL BE COVERED BY THE CENTER.
OUR DRIVER WILL MEET YOU AT LAGUARDIA AIRPORT FOR THE 25 MINUTE DRIVE
TO THE CENTER. LOOK FORWARD TO YOUR URGENT RESPONSE.
DR GEORGE CHALL ASSOCIATE DIRECTOR
EXECUTIVE SEMINAR CENTER
KINGS POINT NY 11024

14:43 EST

MGMCCMP

October 12, 1982

FROM: Morton C. Blackwell

A handwritten signature in black ink, appearing to be 'M.C. Blackwell', written in a cursive style.

Here are the mid-October opportunity races as
picked by some of the major conservative activists.
Thought this information would be of interest to you.

TARGETED RACES FOR P.A.C. DONATIONS (As of October 8, 1982)

Paul Weyrich (Committee for The Survival of a Free Congress)

House:	CA 36	John Paul Stark	PA 6	Steve Joachim
	CA 38	Bill Dohr	TX 25	Mike Faubion
	IN 2	Ralph Van Natta	WA 3	J.T. Quigg
	NC 3	Red McDaniel		

Bill Wilson (National Right to Work Committee)

Senate:	TN	Robin Beard	House:	FL 5	*Bill McCullom
	ND	Gene Knorr		IA 5	Arlan Danker
	NV	Chic Hecht		IN 2	Ralph Van Natta
	WV	Cleve Benedict		MD 1	Porter Hopkins
	MD	Larry Hogan		MS 4	Liles Williams
	NE	Jim Keck		MT 1	Bob Davies
				NJ 4	*Chris Smith
				SD	*Clint Roberts
				VA 6	Kevin Miller

Ralph Galliano (Congressional Majority Committee)

House:	AR 1	Chuck Banks	MS 2	Webb Franklin
	CA 26	Hal Phillips	TN 3	Glen Byers
	CT 2	Tony Gugliermo	TX 23	Jeff Wentworth
	FL 19	Glen Rinker	TX 25	Mike Faubion
	GA 3	Tyrone Elliott	NY 14	Guy Molinari

David Denholm (Public Service Research Council)

Senate:	CA	Pete Wilson	FL 19	Glen Rinker
	ME	Dave Emery	IN 2	Ralph Van Natta
	NV	Chic Hecht	MS 4	Liles Williams
	OH	Paul Pfeifer	NV 2	Barbara Vulcanovich
	VA	Paul Tribble	NC 4	Bill Cobey
			NC 5	Anne Bagnal
House:	CA 26	Hal Phillips	OH 12	Dennis Kasich
	CA 36	John Paul Stark	TN 7	Don Sunquist
	CA 32	Brian Lungren	TX 16	Pat Hagerty
	FL 12	Tom Lewis	TX 23	Jeff Wentworth
			TX 26	Jim Bradshaw

Tom Ellis (National Congressional Club)

House:	NC 3	Red McDaniel	NC 6	*Gene Johnston
	NC 4	Bill Cobey	NC 8	Harris Blake
	NC 5	Anne Bagnal	NC 11	*Bill Hendon

Lou Barnett (Citizens for the Republic)

House:	CA 26	Hal Phillips	PA 25	*Gene Atkinson
	GA 4	Dick Winder	SD	*Clint Roberts
	MS 4	Liles Williams	TX 25	Mike Faubion
	NJ 3	Marie Muhler	TX 26	Jim Bradshaw
	NY 28	Dave Crowley		

* Incumbents

October 26, 1982

Dear Mark:

Nancy and I send our heartfelt condolences to you and your family on the death of your father. While words offer small comfort in the face of such great loss, please know we are keeping you in our thoughts and prayers.

We hope that the warm memories of your father will help to console you in the days ahead.

God bless and hold you always. With our deepest sympathy,

Sincerely,

Mark A. Loveday
Woolverstone House
Pine Grove
Bishop's Stortford
Herts. CM23 5NP

RR:AVH:PAG:pps

bcc: (Maiselle Shortley

**THE WHITE HOUSE OFFICE
OFFICIAL TRAVEL AUTHORIZATION**

No. 0818

(TRAVELER TO COMPLETE SECTIONS 1-8.)

Date of Request October 13, 1982

1. TRAVELER

Name: Morton C. Blackwell White House Staff

Extension: 2657 Room: 191 Other _____

2. PURPOSE(S) and DATE(S): November 15 to attend Annual Awards Dinner of Morality in Media, Inc., a 501(c)(3) organization which will provide the ticket and hotel room. Plaza Hotel, New York

3. ITINERARY Leave Washington afternoon 11/15 return morning 11/16
(List all cities where stopover occurs.)
Stay overnight at Plaza in New York

4. DEPARTURE: RETURN:
Date: 11/15/82 Date: 11/16/82
Time: 4 p.m. Time: 10:00 a.m.
Mode: Shuttle Mode: Shuttle

5. NATURE: 100% Official 100% Political
All paid by Morality in Media, Inc.

6. SIGNATURES:
Traveler: Morton C. Blackwell
(I have read and agree to the terms set forth on the reverse side)

Department Head

Approving Officer
(Special Assistant to the President for Administration)

7. ESTIMATED COSTS: SPECIAL EXPENSES:
No. of Days Per Diem _____ Registration Fee of \$ _____
Hotel Name _____ Commercial Car Rental
Hotel Daily Rate \$ _____ Excess Baggage
Other _____ Other _____

8. TRAVEL ADVANCE REQUESTED: YES No Amount: \$ _____

Signature of Recipient: _____ Date: _____

REPAID: Amount _____ Date _____ Schedule _____ Balance this trip _____

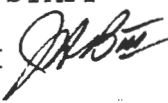
9. FOR TRANSPORTATION OFFICE USE ONLY:

GTR No. _____ Amount \$ _____

THE WHITE HOUSE

WASHINGTON

November 1, 1982

MEMORANDUM FOR: WHITE HOUSE SENIOR STAFF
FROM: JAMES A. BAKER, III 
SUBJECT: TRAVEL AND ENTERTAINMENT BUDGETS

We are continuing the practice in fiscal year 1983 of issuing travel and entertainment budget allocations to each office within the White House. However, the total amount appropriated by the Congress to the White House for these purposes has not increased in fiscal year 1983 from the amounts available in fiscal year 1982 and funds can not be taken from other areas of the budget to supplement the amounts appropriated in these categories. Thus, the amounts allocated to your office this year for travel and entertainment can not be changed from the amounts available last year except to adjust for specific changes in your programs which would affect your needs for these funds.

As a result, you must continue your efforts to reduce travel and entertainment expenses so that the cost incurred by your office remain within the funds available to your office. Your efforts in this regard should include sending only the minimum number of staff necessary to perform essential activities when travelling and the judicious selection of accommodation when travelling on White House official business so as to minimize costs. In addition, you should review your programs and activities and limit your staff travel to only those situations where it is essential to the conduct of your business and no other reasonable means are available to accomplish your requirements.

You will be provided your budget allocations for travel and entertainment expenses by a separate memorandum from John Rogers, Deputy Assistant to the President for Management. A monthly summary of your office's performance against your allocations will be reviewed by me.

Thank you.

THE WHITE HOUSE

WASHINGTON

November 1, 1982

PST
Task Force

MEMORANDUM TO MICHAEL K. DEAVER

FROM: JAY MOORHEAD, SPECIAL ASSISTANT TO THE PRESIDENT
FOR PRIVATE SECTOR INITIATIVES.

Jay Moorhead

SUBJECT: PRIVATE SECTOR INITIATIVES HIGHLIGHTS.

President Reagan - met with CEO's and Private Industry Council Chairmen in the Cabinet Room to personally thank each person for their efforts in last year's Summer Jobs for Youth Program. Those attending the meeting agreed to organize a larger private sector program next summer.

Jobs Training Bill - signed by the President after he met privately with 21 young people who have received private sector job training. New legislation will train 4 times as many youth than under the old CETA program.

Boston Federal Regional Council - awarded twenty-one Presidential citations to organizations and businesses who demonstrated exemplary public/private partnerships and private sector initiatives. This was the first Presidential recognition program for the Federal Regions and will be followed by many more.

Minnegasco - a Minneapolis gas company, has contributed \$150,000 to help pay the heating bills of the elderly and disabled. Customers have opted to have \$1 or more added to their gas bills to assist. The company expects 51% of its customers will make the tax-deductible contributions.

The United Autoworkers Union and Ford Motor Company - have formed a partnership in Michigan to build a \$1 million "National Development and Training Center" to train 45,000 laid-off workers. Ford will take 5¢ an hour out of paychecks of blue collar workers to help fund the center.

The City of San Antonio, Texas - and the U.S. Department of Housing and Urban Development, Control Data and Vanir Properties are major partners in creating a high-technology development cite in San Antonio's poorest section. City officials expect the development to attract new firms and create hundreds of jobs.

California - has passed the first Charitable Contributions Law, which allows non-itemizing tax-payers to take a deduction for charitable contributions beginning in 1984.

Shopwell Store - in Allentown, Pennsylvania is offering a 10% discount for anyone who is unemployed in the Allentown area.

The Jamie Foundation - in Lebanon, Pennsylvania has raised more than \$777,000 to send 6-year-old Jamie Hoke to West Germany to receive treatment for a painful skin condition. Their goal is \$100,000.

Boston University and WBZ-TV - Boston, Massachusetts co-sponsored dance performances of "Celebrity Series" to support performing arts in Boston. The team raised \$50,000.

Thirty-Five Entrepreneurs - from San Francisco's companies, unions, professional and community organizations saved the city \$40 million last year by serving on Mayor Feinstein's Fiscal Advisory Committee.

Milwaukee Redevelopment Corporation - recently opened the Grand Avenue Project, a four-block long enclosed mall using refurbished buildings in a decaying district. The mall was developed with private and public funds and is now managed by the Rouse Corporation.

President Reagan - delivered a televised message to the nation last week urging Americans to support the United Way campaigns this fall and to continue the tradition of 'neighbor helping neighbor that is the hallmark of the American way of life.' ABC, CBS, and NBC contributed time to air the message.

Public Broadcasting Systems' - major corporate underwriters are in the process of forming a support organization to encourage more corporate participation in PBS funding. TV critic Arthur Unger reports that corporate America is beginning to respond to the President's call for private initiatives to replace reduced governmental support for the arts.

Bloomington Volunteer Action Center - formed in 1979, works closely with the City Administration in Bloomington, Indiana to recruit, train and place volunteers in community agencies. Last year, the Center placed over 300 volunteers in the community.

Boro Park Community Patrol - in Brooklyn, New York takes credit for an 11% reduction in crime over the last summer. The Community Patrol is supported by donations from the community and consists of armed off-duty policemen who regularly cruise the Park area.

Four major corporations - in the Stamford, Connecticut area donated more than \$200,000 in grants and loans to the Committee on Training and Employment to help erase an administrative debt accumulated during the agency's 17-year existence. The agency serves mostly low-income minority groups.

The Statue of Liberty-Ellis Island Centennial Commission - Chaired by Lee Iacocca was organized as a private sector effort to re-educate Americans on the history of immigration into the United States. The Commission will expire in 1992 with the restoration and preservation of the Statue of Liberty and Ellis Island.

Mobil Oil Corporation - donated 1.5 million plastic "Hefty" bags to the Boy Scouts of America for their "Save Our American Resources" program.

General Electric - opened a \$6 million learning center at its Erie, Pennsylvania locomotive facility where employees are trained to use new automated equipment the company plans to install.

Lake Erie College - in Cleveland, Ohio has developed creative fund-raising methods to deal with rising costs by selling natural gas from a well drilled on campus, earning \$2,000 a week from bingo games and nets \$175,000 each summer by renting its facilities out.

The Liaison Citizen Program - in Los Angeles, California is funded by private grants to train and motivate low income youth to strive for worthwhile careers. The staff works with the youth in training sessions and workshops and involves them in community projects and special services for social agencies.

The Ancient and Accepted Scottish Rite of Free Masonry - report that the combined Masonic and Masonic-related charities daily expend over \$1,300,000 to charities.

Security Savings & Loan Association - in Milwaukee, Wisconsin sliced home-loan rates to 11.9% in response to a presidential appeal to spur economic recovery. The move was applauded by the Savings League of Wisconsin and members of the Milwaukee Board of Realtors.

Citizens of Hatfield, Massachusetts - reported doing it the "Reagan-Way," when they raised \$40,000 in 60 days to purchase and equip an ambulance. Their continuing goal is to raise an additional \$10,000 to provide free ambulance service to the needy townpeople.

Southland Corporation - has put together a community awareness video on corporate responsibility, highlighting its nationwide effort to reduce robberies in the 7-Eleven stores around the country. The program focuses on crime prevention, robbery and violence prevention and covers steps to help reduce crime by the corporate world.

RAYS Data Systems - a non-profit corporation in Monterey Park, California, educates economically disadvantaged, Vietnam Veterans, unskilled workers, youth and displaced handicapped individuals to learn Data Processing via classroom training and hands on experience. Through the assistance and support of major corporations, the placement ratio is 91%.

United States Department of Education - publishes "American Education," a magazine on voluntarism in the schools. Examples of private sector initiatives in the public schools are highlighted in each issue.

Statewide School Volunteer Program - in Florida is managed through the state department of education. The 77,000 volunteers donate their time and talents to promote student learning and provide support to education programs. Volunteers can be found in 78% of the schools in Florida.

Chicago Board of Education - organized an Adopt-A-School Program to involve the private sector in the school system through volunteer work, donation of equipment and supplies, and a sports-health program. It is hoped that through the involvement of the business community, the Board of Education will be able to build broader support for public education.

THE WHITE HOUSE

WASHINGTON

October 1, 1982

MEMORANDUM FOR MORTON BLACKWELL

FROM:

RED CAVANEY 

SUBJECT

Your Memorandum of 9/30/82

Morton, there is no interest whatsoever on the part of Elizabeth or myself to see you depart. That was not the intent of my memo to you.

My concern was that this matter was handled outside established procedures. By coincidence, you may not have attended those meetings when it was clearly explained to our staff what we could and could not do in this area.

Briefly stated, procedures are as follows:

- If asked by an Assistant to the President for information, facts, background or whatever; provide it promptly with copy to Elizabeth.
- If providing advice, asking for a meeting or other schedule commitment, etc.; such should be sent under Elizabeth's signature saying "Morton Blackwell asked" or "Morton Blackwell wants to urge you to," etc.

I will recover all this in a staff meeting next week and be glad to talk about the specifics of this instance if you would like.

Let's forward this package to White House Counsel asking for guidance on the legal aspects. I had earlier asked Diana to have you do this less than 12 hours after I received your first memo on this subject.

THE WHITE HOUSE

WASHINGTON

NOTES OF A MEETING HELD SEPTEMBER 29, 1982, AT THE WHITE HOUSE NEBRASKA CHRISTIAN SCHOOL PROBLEM

Present: State Representative Woody Jenkins, Louisiana
General Superintendent Nathaniel Urshan, United
Pentacostals
Morton Blackwell, Special Assistant to the President

Brother Urshan told of a United Pentacostal church operated school in York, Nebraska where the sheriff and a deputized school official came with a search warrant -- rushed up to all doors of the church with their hands on their guns, and brought the pastor Edward D. Morey before the courts. Attached are copies of the warrant and the other things which they seized not covered by it. They will be going to court on the issue shortly.

The same thing is happening in Grand Island to a Mrs. Rich who is the pastor of a United Pentecostal church and school.

The third situation is a man in Omaha, a Mr. Wasman.

These people are frightened but increasingly angry. In York they had advance warning and dismissed the children to avoid traumatizing them. Brother Urshan was told the Moreys were threatened with arrest and jail if they contacted Federal Authorities. Also that they would arrest the parents of the children if Federal authorities were contacted. He will attempt to find out who made these threats.

Mississippi Governor Winters is starting the same thing and Arkansas has a case pending, he believes in a Baptist school.

In five years the United Pentacostal Church has started 500 schools. Brother Urshan recommends the following steps:

1. Justice should investigate the way these warrants and arrests are made. Civil rights violations are probably involved.
2. Deregulation of state schools. (Morton explained they would have to elect State Legislatures to pass such measures with Governors to sign them into law.)
3. The President should make a strong public statement in support of private schools. There are a lot of court cases.

The First Amendment guarantees freedom of religion. Provisions of the First Amendment, originally limiting Federal Government, were made applicable to the States by the 14th Amendment. The states have an obligation not to violate freedom of religion.

Each church has various ministries, preaching, teaching, helping the poor, and educating its members. In most cases the same rooms are used for Sunday School and weekday school and sometimes the same materials and teachers. A major function of the church is to educate its people. Many churches are beginning schools to strengthen the relationship between congregations and pastors. It causes the pastor to become more involved with the families. You could not pass a law as to who a church might hire as a pastor or teacher. It would limit the church's ability to say who their employees will be and what they will teach.

Nebraska is insisting on something which violates the Constitutional rights of the church. When a sheriff brings a search warrant and surrounds a church building with hands on guns . . . There is a conspiracy in Nebraska being executed by the public education authorities. There are eight church schools now in the legal process.

Some leaders of the Jewish community are backing the Christian schools because they know they will be next. A Jewish lawyer in Nebraska has volunteered to serve free of charge.

There is a conscious effort by educational authorities in the State of Nebraska to deprive the Christians of their civil rights under the First and Fourteenth Amendments.

The NEA is becoming increasingly powerful and part of the problem with these private schools. Brother Urshan called attention to a survey of seminary faculties which appears in the most recent issue of Human Events. The United Pentacostal college faculty were found to be the most conservative.

There are 600,000 United Pentacostals, mainly in Texas, Louisiana, Indiana, Missouri, Ohio, Kentucky, Michigan, Iowa, and California. Woody told us that Brother Urshan pastored the largest Pentacostal Church in America in Indianapolis. They have 500 or more schools out of 3,500 churches. The Pentacostals have not traditionally been involved in politics but they got involved in 1980. Brother Urshan chaired Senator Lugar's committee for ministers.

Brother Urshan reported that the political activism which is new to his denomination, and the attack on their schools, is drawing the fundamental and "holiness" groups together. They are pooling their resources and their strengths.

He told of his recent visit to Moscow Pentacostals -- how he met with an underground church which sat for 8 hours of meeting and broke up only because of the curfew. There are 16 underground churches in Moscow and more than two million (perhaps five million) Pentacostals in Russia.

Brother Urshan is anxious to meet with the President, Mr. Meese, or Mr. Baker, and will be available from now until the 9th of October at which time he goes to Salt Lake for his annual meeting which runs through October 17. He would be happy to come to Washington after that date if one cannot be arranged before that time.

THE WHITE HOUSE

WASHINGTON

November 5, 1982

MEMORANDUM FOR PHOTO SHOP

FROM: MORTON BLACKWELL *mcB/cs*

SUBJECT: Pictures of 21 September Jaycee Meeting

We need the following additional pictures of the referenced meeting:

Black and White:

21 SE 82 102 03 02, 04, and 15

Color:

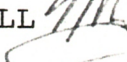
21 SE 82 102 03 02, 04, 18

Thank you.

THE WHITE HOUSE
WASHINGTON
November 2, 1982

PSI

MEMORANDUM FOR KEVIN HOPKINS

FROM: MORTON BLACKWELL 
SUBJECT: Attached Clearance Memorandum

This is not a well balanced piece.

The major examples are all from the business community. You should insist on the task force giving you examples from other sectors.

Many groups known primarily for their previous voluntary efforts have expanded their programs in response to the President's urging. Two specifics: Jerry Falwell's Thomas Road Baptist Church has set up an excellent center to help the needy in Lynchburg. The Salvation Army has started great things. I repeat, force the big business oriented staff at the PSI Task Force to give you broader choices. Big corporations fascinate them, but churches and voluntary service organizations are doing much more in response to the President's call.



White House Office of Policy Information

MEMORANDUM

Document No. 998645 PI

Date 10/25/82

Time 6:30 pm

Due By 10/28/82

Time COB

Staffing Memorandum

Clearance Memorandum
Please respond whether or not you have comments and/or corrections

Subject Issue Update on "The Private Sector Initiatives Program"

ACTION		FYI	ACTION		FYI
OFFICE OF POLICY INFORMATION			OFFICE OF POLICY DEVELOPMENT		
HOPKINS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HARPER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COBB	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DUFF	<input type="checkbox"/>	<input type="checkbox"/>	BARR	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LAMBERTON	<input type="checkbox"/>	<input type="checkbox"/>	BOGGS	<input type="checkbox"/>	<input type="checkbox"/>
SCHUETTINGER	<input type="checkbox"/>	<input type="checkbox"/>	BRADLEY	<input type="checkbox"/>	<input type="checkbox"/>
SMITH	<input type="checkbox"/>	<input type="checkbox"/>	CARLESON	<input type="checkbox"/>	<input type="checkbox"/>
_____			DENEND	<input type="checkbox"/>	<input type="checkbox"/>
JENKINS	<input type="checkbox"/>	<input type="checkbox"/>	FAIRBANKS	<input type="checkbox"/>	<input type="checkbox"/>
KEYWORTH	<input type="checkbox"/>	<input type="checkbox"/>	FERRARA	<input type="checkbox"/>	<input type="checkbox"/>
ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>	GALEBACH	<input type="checkbox"/>	<input type="checkbox"/>
MUSS (PRB)	<input type="checkbox"/>	<input type="checkbox"/>	GARFINKEL	<input type="checkbox"/>	<input type="checkbox"/>
CRIBB	<input type="checkbox"/>	<input type="checkbox"/>	GUNN	<input type="checkbox"/>	<input type="checkbox"/>
BLACKWELL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LEONARD, B.	<input type="checkbox"/>	<input type="checkbox"/>
DUNLOP	<input type="checkbox"/>	<input type="checkbox"/>	LEONARD, D.	<input type="checkbox"/>	<input type="checkbox"/>
GERSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MONTOYA	<input type="checkbox"/>	<input type="checkbox"/>
HEMEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROCK	<input type="checkbox"/>	<input type="checkbox"/>
THOMPSON	<input type="checkbox"/>	<input type="checkbox"/>	TURNER	<input type="checkbox"/>	<input type="checkbox"/>
Jay Moorhead	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UHLMANN	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	ADMINISTRATION	<input type="checkbox"/>	<input type="checkbox"/>
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_____	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please review and comment on the above. Thanks.

Please return this tracking sheet with your response

Kevin R. Hopkins
Director, Office of Policy Information
Special Assistant to the President -
(x6556)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

November 15, 1982

MEMORANDUM FOR RED CAVANEY

FROM:

DEE JEPSEN *DJ*

SUBJECT:

PRESIDENT'S SCHEDULE PRIOR TO THANKSGIVING

The next 2 weeks President Reagan should visit activities and events where people are sharing their blessings with others.

This would do several things. It would focus national attention upon his concern for the needs of other people. This would contribute to reshaping his public image as a compassionate, caring person which would evoke a positive response from women.

It would also focus attention on the need and call for all Americans to lend-a-hand to those in need (Mission of his Private Sector Initiatives Task Force.) In addition, it would focus upon the traditional values most Americans still cherish and would uplift the importance of family and community spirit.

Events of this type could be located if the idea is acceptable:

- Attend an event where the needy are being fed for the Thanksgiving celebration. (Some of these are held prior to the holiday). He should serve some of the participants himself.
- Visit some children's hospital (possibly in the Washington, D. C. area) and give out some kind of holiday remembrance.
- Visit some kind of drug rehabilitation center with Mrs. Reagan to show interest in the problems of others.
- Visit some volunteer center for the needy. There are some here in Washington, D. C. that would be appropriate. If such a visit is done in California, Dr. E. V. Hill could be of assistance in Los Angeles.
- Visit some site where assistance is given to women raising families alone.

These are just some possibilities. We could come up with some specific ideas if requested. Above all, I think that the Reagans should attend church services in this season. Their inability to do so is often mentioned to me with regret.

cc: Morton Blackwell
Diana Lozano
Jay Moorehead

Send copies
to:

~~Festner~~

~~Weyrich~~

Dick Thompson

Margo Conley

Dick Dingman

Connaught

Reed Lammiman

Huck

RA

Sent

1/17

EVI

Ref's glasses

THE WHITE HOUSE
WASHINGTON

5/15/78
Date _____

To: _____

From: Morton C. Blackwell

_____ Please respond on behalf of
the President

_____ Please prepare draft for
Elizabeth Dole's signature

_____ Please prepare draft for
my signature

_____ FYI

_____ Let's discuss

Worton


THE WHITE HOUSE

WASHINGTON

November 15, 1982

FVI
- Worton

MEMORANDUM FOR ALL PORTFOLIO MANAGERS

FROM: RED CAVANEY 

SUBJECT: "Lobbying" Activities

As we have discussed on a number of occasions, it is absolutely imperative that we confine our outreach efforts to constituent building and consensus development. Our primary thrust is to educate private sector leaders and organizations about the benefits of the various Administration initiatives, and activities that they chose to undertake are to be done on their own.

I thought you might be interested in a recent GAO finding involving a lobbying effort by government employees. I think you will find it makes quite clear what we can and cannot do. I request that you read the attached and be prepared to discuss at tomorrow's staff meeting.

THE WHITE HOUSE

WASHINGTON

October 19, 1982

MEMORANDUM FOR ELIZABETH H. DOLE
ASSISTANT TO THE PRESIDENT
FOR PUBLIC LIAISON

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: "Lobbying" Activities by the Air Force
Concerning the Lockheed C-5B Type Aircraft

Recently, the Air Force was the subject of a GAO investigation, as well as Congressional hearings, for alleged violations of the anti-lobbying laws. At issue was the alleged use of defense contractors by the Air Force in a lobbying campaign designed to obtain Congressional approval of the Lockheed C-5B. With respect to this issue, the GAO report concluded that:

Since the Air Force is prohibited by appropriations restrictions from directly mounting a grass roots lobbying campaign by requesting private citizen supporters throughout the country to contact their Congressional delegations on behalf of the C-5B procurement, it follows that it may not engage a network of Defense contractors to accomplish the same thing. The Air Force improperly expended appropriated funds for increments of the salaries of officers and employees while they were engaged in the prohibited activities. In our opinion, this constitutes a violation of Section 607(a) of the annual Treasury, Postal Service, and General Government Appropriations Act, which prohibits the expenditure of appropriated funds for publicity and propaganda activities designed to influence legislation pending before the Congress.

While GAO did not attempt to recover the amount of improper expenditures due to the difficulty in determining the amount of time spent by Air Force personnel on the alleged lobbying activities, it took a more serious step -- referral of the matter to the Department of Justice under 18 U.S.C. 1913.

I bring this matter to your attention only to alert you to the reach of 18 U.S.C. 1913 as interpreted by GAO.

A copy of GAO's findings are attached.

Attachment

B-209049

SEP 29 1982

The Honorable Jack Brooks
Chairman, Committee on
Government Operations
House of Representatives

Dear Mr. Chairman:

Subject: Improper Lobbying Activities by the Department of
Defense on the Proposed Procurement of the C-5B
Aircraft (GAO/AFMD-82-123)

In your June 24, 1982, letter (encl. I), you asked us to determine what, if any, Government resources were used to promote the procurement of the C-5B aircraft. You also asked us to identify any computer installations and programs or data bases existing in the installations used by the Department of Defense or Lockheed Corporation to plan, direct, or monitor the lobbying effort. Finally, you asked us to provide any pertinent legal opinions on misuse of appropriated funds and other violations of law, and to determine if the cost of the lobbying effort could be charged to current or future defense contracts by Lockheed or any subcontractor.

We briefed your office on July 23 and September 13, 1982. At that time your office asked us to determine the extent of the Boeing Company's lobbying and whether the costs of its effort could be charged to defense contracts. The scope and methodology of our review and a detailed statement of our findings and conclusions are attached as enclosure II.

SUMMARY OF FINDINGS AND CONCLUSIONS

We found that an extensive and cooperative effort was made by officials of the Air Force, the Office of the Secretary of Defense (OSD), the Lockheed Corporation, and several other Defense contractors and subcontractors during the period May 14, 1982, through July 22, 1982, to influence members of the House of Representatives, and later the House and Senate conferees, on the proposed \$10 billion procurement of the C-5B aircraft. We found that this effort was initiated and directed by officials of the Department of Defense and that material, but undeterminable, amounts of appropriated funds and Government resources were spent for the purpose of influencing this procurement appropriation authorization measure which was pending before the Congress. Certain actions taken by Air Force and OSD officials to influence the Congress through the

(913701)

use of contractors were improper and violated the Federal appropriations act restrictions which prohibit the use of appropriated funds for publicity and propoganda purposes designed to influence legislation pending before the Congress. Also, the Defense Department may have exceeded the limitation on the funds it can spend on legislative liaison activities contained in the Defense Appropriation Act of 1982.

We found that the computerized recordkeeping system used to manage and coordinate these lobbying efforts was developed and operated by Lockheed personnel. The computer equipment and software used were owned or leased by Lockheed. The primary computer equipment was located in a Government-owned facility operated by Lockheed in Marietta, Georgia. The data base and all backup files were erased by Lockheed personnel between June 17 and June 23, 1982 at the direction of the president of Lockheed.

At the Pentagon Data Services Center, operated by the Air Force for the Department of Defense, we reviewed the listings of accounts, files, programs, and transactions for the period May 14, 1982, through August 18, 1982. We could find no evidence that the Center's resources had been used in any way to assist the lobbying effort. Air Force and OSD officials involved in the lobbying have all stated that no Federal computer systems or terminals were used for this purpose or to access the Lockheed data bases and reports.

LOCKHEED'S LOBBYING COSTS WERE SUBSTANTIAL
AND MAY BE REIMBURSED IF ACTION IS NOT TAKEN

Lockheed's lobbying costs were substantial. Lockheed officials estimated that from May 15, 1982, through August 14, 1982, about \$496,000 was spent. This did not include \$265,190 in related corporate advertising costs, which are expressly unallowable charges to Federal contracts. Lockheed views its lobbying costs as allowable for reimbursement under existing Federal contracts, primarily because Defense Acquisition Regulation 15-205.51 (Contract Cost Principles Governing Lobbying Costs) was adopted in October 1981 and was not incorporated in the contracts for the vast majority of Lockheed's current Federal work. Lockheed officials have indicated a willingness to negotiate a voluntary disallowance. Unless Defense takes specific action to prevent it, Lockheed could be reimbursed an allocable share (roughly estimated at 54 percent or \$287,840) of the C-5B lobbying costs through Federal payments for current cost-type contracts. In our opinion, such reimbursement for lobbying costs is prohibited by existing appropriations act restrictions on the use of appropriated funds.

DEFENSE SPENT APPROPRIATED FUNDS
TO INFLUENCE CONGRESS

The Defense Department has spent material, but undeterminable, amounts of appropriated funds to conduct the cooperative lobbying effort to win approval of the C-5B aircraft acquisition

in the Congress. The Director of the Air Force Office of Legislative Liaison--with the knowledge and consent of the Secretary of the Air Force, the Assistant Secretary of Defense for Legislative Affairs, and the Deputy Secretary of Defense--invited officials of Lockheed and several C-5B subcontractors to attend meetings held almost daily in his office. The stated rationale for inviting the contractors to these "airlift strategy" meetings was to use the contractors' lobbyists and subcontractor network to get the "right" information about the President's program to the Congress quickly and to get feedback on Congressional views. In other words, the purpose was to do things the Air Force was restricted from doing by antilobbying and legislative liaison appropriation restrictions, by bringing pressure to bear on members of the Congress.

The Air Force should not be permitted to use a contractor to engage in lobbying activities. ^{Directly} Since the Air Force is prohibited by appropriations restrictions from directly mounting a grass roots lobbying campaign by requesting private citizen supporters throughout the country to contact their congressional delegations on behalf of the C-5B procurement, it follows that it may not engage a network of Defense contractors to accomplish the same thing. The Air Force improperly expended appropriated funds for increments of the salaries of officers and employees while they were engaged in the prohibited activities. In our opinion, this constitutes a violation of section 607(a) of the annual Treasury, Postal Service, and General Government Appropriations Act which prohibits the expenditure of appropriated funds for publicity and propaganda activities designed to influence legislation pending before the Congress. Since the improper lobbying activities were performed by employees who were also doing legitimate tasks, we were unable to determine the amount of time expended on the improper activities and arrive at a cost of employee time. Because the improper and legitimate personnel salary costs are commingled, the amount of the improper expenditure cannot be determined. It would therefore be impractical to attempt to recover the improper expenditures.

Since 18 U.S.C. 1913, "Lobbying with appropriated moneys," contains fine and imprisonment provisions, its enforcement is the responsibility of the Department of Justice and the courts. Accordingly, this Office does not consider it appropriate to comment on its applicability to particular situations or to speculate as to the conduct or activities that would or would not constitute a violation. (20 Comp. Gen. 488 (1941)) Our role in this area is limited, for the most part, to determining whether appropriated funds were used in any given instance, and referring matters to the Department of Justice where deemed appropriate or when requested to do so. Therefore, we are referring the matter of the possible violation of 18 U.S.C. 1913 to the Attorney General.

DEFENSE MAY HAVE EXCEEDED FISCAL 1982
LEGISLATIVE LIAISON FUNDS LIMIT

The Defense Department may have exceeded its legislative liaison funds limitation for fiscal 1982. In addition, it may have inappropriately classified as training, for example--the costs of activities that were obviously related to legislative liaison purposes. Section 728 of the Department of Defense Appropriations Act (Public Law 97-114, Dec. 29, 1981, 95 Stat 1565) limits to \$7.5 million the amount of funds that Defense can spend on legislative liaison activities. This limitation was increased to \$8 million by Public Law 97-257 (Sept. 10, 1982), the 1982 Supplemental Appropriation Act. Defense estimates that it will spend about \$9.6 million on activities it presently classifies as legislative liaison (primarily the salaries of directly assigned personnel). Although it appears that Defense may exceed the current limitation by as much as \$1.6 million, this fact cannot be conclusively established until after the end of this fiscal year.

The actual cost of legislative liaison may be even higher than reported because of Defense's accounting treatment. For example, the Air Force and the Army staged a demonstration of the C-5 aircraft at Andrews Air Force Base, Maryland, from June 14 to 16, 1982. The stated purpose of this demonstration was to provide information to interested members of Congress and their staffs. The estimated cost of the demonstration, about \$69,800, was not charged to legislative liaison. It could be argued that the appropriation restriction language requires that the cost of the demonstration be accounted for as a legislative liaison expenditure. However, an OSD official stated that based on a 1975 verbal agreement between the then Assistant Secretary of Defense for Legislative Affairs and the then Chairman of the Senate Appropriations Committee, the legislative liaison activity restriction is limited primarily to personnel costs. Congressional demonstrations are not charged against the restriction. However, we believe the restriction should be amended to specifically indicate which costs related to legislative liaison activities are covered.

BOEING WILL SEEK REIMBURSEMENT
OF ITS LOBBYING COSTS

Boeing Company officials estimate that about 166 hours of direct lobbying time, about 20 directly related trips, and hundreds of telephone calls and mailgrams to Boeing's principal subcontractors were involved in their lobbying effort to sell Boeing's B-747F between February 1 and July 31, 1982. Assuming a narrow interpretation of the Defense acquisition regulations, Boeing officials estimate that its lobbying costs amounted to \$21,800 and that related unallowable corporate advertising expenses were \$78,000 from February 1 through July 31, 1982. The Boeing estimate excludes many relevant elements of cost, such as salaries of executives, lobbyists, and other employees and related fringe expenses; communications; and outside services; and includes only directly

associated travel expenses. Boeing asserts that an appropriately allocated portion of its legislative liaison and lobbying costs is allowable and reimbursible under current Federal contracts because Defense Acquisition Regulation 15-205.51 was effective in October 1981, then amended in April 1982, and appropriate clauses were not incorporated in Boeing's preexisting contracts. Such contracts constitute the vast majority of Boeing's Federal work in 1982 under cost-type contracts. In our opinion such reimbursement is prohibited by existing restrictions on the use of appropriated funds.

RECOMMENDATIONS TO THE SECRETARY OF DEFENSE

We recommend that the Secretary of Defense take all necessary steps to preclude the charging of any lobbying costs by Lockheed Corporation, the Boeing Company, and their subcontractors, or other firms, to any existing Federal contract. The Defense Contract Audit Agency and Defense plant representatives should be directed to disallow such costs in their audits of overhead accounts.

We recommend that the Secretary of Defense direct all Defense negotiators to seek contract amendments or provisions which will specifically exclude all lobbying costs in all current as well as future contracts.

We recommend that the Secretary of Defense conduct an administrative investigation after the end of the fiscal year to determine if a violation of the Anti-deficiency Act (31 U.S.C. 665) has occurred in the expenditures related to legislative liaison activities and take action as required by the statute if the appropriation restriction has been exceeded. Further, the Secretary needs to establish proper accounting and internal controls to prevent this problem from recurring.

We recommend that the Secretary of Defense review any existing guidance relating to actions and behavior of Defense officials when communicating with members of Congress on legislation, procurement proposals, and budget initiatives and revise such guidance in an effort to preclude future incidents such as described in this report.

RECOMMENDATIONS TO THE CONGRESS

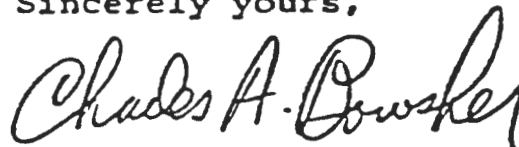
To better implement the intent of the annual antilobbying appropriation restrictions, the Congress may wish to enact in permanent legislation a set of guidelines on appropriate actions by agencies, Federal employees, and contractors when carrying out legitimate communication with the Congress regarding agency policies, programs, activities, and procurements. Such guidance should specifically preclude cooperative efforts, as exhibited in this case, among Government officials and Federal fund recipients, such as contractors and grantees, for the purpose of influencing members of the Congress on legislation being considered by that body--and in particular, for mounting of contractor-directed grass roots

lobbying campaigns. Permanent legislation should lead to agency heads establishing appropriate implementing rules and regulations.

We also recommend that the Congress consider amending the legislative liaison appropriation restriction that limits the amount of funds that Defense and the service departments may spend on these activities. The law should specifically state which costs are subject to this restriction; for example, whether the Congress intends for this restriction to apply to any or all of the costs of personnel, travel and transportation, data processing services, subscription services, and equipment and troop demonstrations that are related to legislative liaison carried on by Defense.

We are concurrently issuing a letter with similar enclosures to Senator Proxmire, the Ranking Minority Member, Senate Committee on Appropriations. We did not obtain agency comments on this letter. Unless you release its contents earlier, we plan no further distribution of this letter until 30 days from its date. At that time, we will send copies to the Director of the Office of Management and Budget, the Attorney General, the Secretary of Defense, the Secretary of the Air Force, the Secretary of the Army, the Lockheed Corporation, and the Boeing Company, and will make copies available to other interested parties.

Sincerely yours,



Comptroller General
of the United States

Enclosures

JOHN EDWARDS, JR., Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman
DAN Rostenkowski, Chairman

FRANK ROSTENKOWSKI, JR.
DAN ROSTENKOWSKI, JR.
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NINETY-SEVENTH CONGRESS
Congress of the United States
House of Representatives
LEGISLATION AND NATIONAL SECURITY SUBCOMMITTEE
OF THE
COMMITTEE ON GOVERNMENT OPERATIONS
RAYBURN HOUSE OFFICE BUILDING, ROOM B-373
WASHINGTON, D.C. 20515

June 24, 1982

Honorable Charles A. Bowers
Comptroller General of the United States
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear General:

According to recent newspaper reports, the Defense Department in conjunction with the Lockheed Corporation has mounted a massive effort to influence members of Congress on the proposed procurement of the C-5 air transport. Such an effort, if true, raises serious questions on the propriety and legality of the use of government resources.


I, therefore, request that GAO determine what, if any, government resources were used in any effort to promote the procurement of the C-5. Your review should identify any computer installations that you may determine were used by the Department of Defense or Lockheed to plan, direct or monitor this lobbying effort. Also, please identify all programs or data bases processed or residing in these installations as well as determine the sources of their funding.

In addition, please determine if the cost of this effort could be charged to any current or future defense contract by Lockheed or any subcontractor.

I would appreciate GAO also providing pertinent legal opinions concerning any misuse of appropriated funds and other violations of law. It would be helpful if this review could be completed within 30 days.

With best wishes, I am

Sincerely,



JACK BROOKS
Chairman

SCOPE AND METHODOLOGY

Our review was performed in accordance with our current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," except that we did not obtain agency comments on our findings, conclusions, and recommendations. We interviewed officials of the Office of the Secretary of Defense, and of the Air Force, to determine what efforts they made to influence members of Congress on the C-5B program. We also obtained cost data from the Army. We interviewed officials of Lockheed Corporation, potential subcontractors for the C-5B program, and other companies involved to determine the scope of their lobbying effort and whether the costs of their effort would be charged to Government contracts. We also interviewed officials of the Boeing Corporation to determine the extent of their lobbying effort, the subcontractors aiding them, and their position on charging this expense to current or future Defense contracts.

We reviewed the legislative history of Federal laws pertaining to lobbying activities and appropriations restrictions on legislative liaison activities. We also reviewed the listings of accounts, files, programs, and transactions of the computers in the Air Force Data Services Center to determine whether the computers there were used in any way in the C-5B lobbying.

MILITARY AIRLIFT PROGRAM

The Defense Department has long been concerned about the military services' inadequate airlift capabilities, with recent emphasis on intertheater airlift. In 1979 the Secretary of Defense directed that the services emphasize development of the CX--an intertheater transport plane with secondary intratheater capability. A CX Request for Proposals was released to industry in October 1980.

In response to the CX Request for Proposals, Boeing, Lockheed, and McDonnell-Douglas submitted proposals for a newly designed CX aircraft. In August 1981, the Secretary of the Air Force announced that the McDonnell-Douglas C-17 was the winner of the CX competition. In September 1981, Lockheed submitted an unsolicited proposal to build 50 C-5B aircraft--a new version of C-5A, the primary aircraft currently in use for transporting outside and oversize cargo--as an alternative to the CX development program.

In early January 1982, the Secretary of the Air Force advised the Deputy Secretary of Defense that as executive agency it had chosen a combination of C-17 cargo aircraft, McDonnell-Douglas KC-10 tanker/cargo aircraft, and Civil Reserve Air Fleet (CRAF) enhancements as the recommended airlift program. However, with an

additional \$5 billion of available funds in the budget, the Defense Department announced in late January 1982 that it was not going to procure the C-17 now, and instead proposed the purchase of 44 KC-10s under an existing contract and 50 C-5Bs under a new sole-source contract with Lockheed.

On May 13, 1982, the Senate deleted authorization of funds for the C-5 aircraft and authorized instead the procurement of new and used commercial wide-body cargo aircraft to meet its current military airlift requirements. A similar change was initiated in the House by Congressman Norman Dicks and others.

INTENSE LOBBYING EFFORT

After the defeat of the C-5B program in the Senate, the Director of Air Force Legislative Liaison initiated, organized, and directed an intense legislative liaison and lobbying effort to promote the C-5B program in the House. The effort included numerous visits to Congressmen by Air Force, Army, and Marine officials, other Congressmen, Lockheed Corporation officials, and representatives of other companies that had an interest in the C-5B program or did business with Lockheed or the Department of Defense. It also included drafting and distributing "Dear Colleague" and Defense position letters on the C-5B aircraft and a special demonstration of the aircraft's capabilities for interested members of Congress and their staffs. A computer was used by Lockheed to monitor the progress of the legislative liaison and lobbying effort.

Strategy formulated to influence Congress

A meeting was held on May 24, 1982, at the Pentagon to determine actions necessary to win approval of the C-5B program prior to the House floor debate of the fiscal 1983 Defense Authorization Bill. Several high ranking civilian and military Air Force officials attended the meeting. In addition, staff members of three Congressmen (one Senator and two Representatives) from Georgia, the State that would benefit most from a contract award to Lockheed, attended the airlift meeting. As a result of the meeting, a strategy was developed that included 14 actions to be taken by the Air Force or OSD. Key elements of this initial strategy 1/ that appear questionable are:

--"Energize AFA [Air Force Association] and ROA [Reserve Officers Association]."

1/Taken from an internal, unsigned, Air Force Legislative Liaison memorandum, dated May 24, 1982.

--"Draft "Dear Colleague" letter in support of C-5B. Issues are: military utility, present CRAF [Civil Reserve Air Fleet] availability of the 747s, ownership issues, false savings associated by budget outlays."

--"Establish bi-weekly strategy session with OSD, Air Force and Lockheed." 1/

The Secretary of the Air Force and the Assistant Secretary of Defense for Legislative Affairs were aware of the strategy established to achieve approval of the C-5B program in the House, and both believed that the actions taken and the coordinated effort with Lockheed were appropriate and necessary. The Deputy Secretary of Defense and the Under Secretary of Defense for Research and Engineering were also aware that Defense personnel were talking to Lockheed and other contractors, but stated they were not aware of the extent of the coordinated effort.

According to Air Force officials, Lockheed was invited to attend the near-daily airlift strategy meetings to ensure that the corporation's actions were consistent with what the Air Force was doing. The intent of working with Lockheed was to use Lockheed's network of lobbyists and other contacts to get the "right" information about the President's program to the Congress quickly and to get feedback on congressional views. One Air Force official stated that "Lockheed did things that the Air Force couldn't. It was a great advantage cooperating with them because they could work the Hill every day."

Air Force and Lockheed officials contend that a massive effort was needed to counter the "misinformation" that had been provided by Boeing on military airlift requirements. Air Force and OSD officials believe that the lobbying efforts were proper since it is in the public interest to defend the budget in support of the President's program. An Air Force official stated that there are no Defense guidelines on what constitutes proper legislative liaison activities and that "we do things unless otherwise proscribed."

Lockheed's lobbying effort was extensive

The Secretary of the Air Force suggested to Lockheed's chairman of the board that the company "better get moving or it will lose the C-5B program in the House." Subsequently, Lockheed initiated an intense lobbying effort to promote the C-5B program in

1/Schedule permitting, airlift strategy meetings with contractors were actually held daily in the Pentagon.

the House. Lockheed's involvement in the lobbying efforts included the following:

- Solicited and received lobbying support from its subcontractors such as General Electric, Avco, Colt Industries, and General Dynamics. Other firms that are not subcontractors, such as Kodak, Arthur Young, 1/ and other Defense contractors such as Flying Tigers also participated in the lobbying efforts on behalf of the C-5B program. The lobbying support often involved contacting the Congressman representing the district in which the company has facilities and explaining the program's possible impact on jobs and the local economy.
- Made numerous visits to congressional members or their staffs to provide information on the C-5B and military airlift requirements and to put Boeing's arguments for the B-747F aircraft in a different perspective. According to Lockheed-prepared computer printouts, more than 500 visits were to be made by employees of Lockheed and other companies to members of Congress or their staffs. We did not determine how many visits were actually made.
- Attended the near-daily airlift strategy meetings at the Pentagon. During these meetings, Lockheed officials provided feedback from congressional contacts and made suggestions to the Air Force on what members should be visited and the issues to be addressed. Lockheed officials also reviewed draft Air Force and Defense position papers, letters, and testimony and made suggestions for their utility.
- Obtained and distributed copies of Defense Department position letters on the C-5B program to members of Congress who were not the addressees. Lockheed also ensured that its subcontractors had copies of supportive Defense letters to distribute.
- Prepared point papers on the Civil Reserve Air Fleet and other airlift issues.
- Contacted all the major airlines and requested that they stay out of military business and remain neutral in the airlift issues. A letter from the chairman of the board of Lockheed Corporation was also sent to every airline that owned a Boeing 747 aircraft, requesting neutrality on the airlift issue. The letter stated that if the B-747F

1/Arthur Young is the public auditor for both Lockheed and Avco.

were selected for military airlift, the airlines would stand to lose Government contracts for transporting military passengers and cargo.

Computer used to manage lobbying effort

Lockheed developed a computerized recordkeeping system to help manage the C-5B lobbying efforts. Two types of reports were generated from the computerized system. The first was a report of actions to be taken and their status. Typical entries in the action report included:

ACTION: 05/26 AF
DOD

Energize all military associations and obtain leadership and "back home" support.

STATUS: Open
LL: Issue too split by contractors.

ACTION: 06/01 LK

Member to request comments from AF on Dicks' letter.

STATUS: 6/3 Montgomery did
6/4 AF response in work
6/11 Draft prepared

ACTION: 06/14 LK

Get AF letter to Sonny Montgomery--responding to Dicks' points distributed to members.

STATUS: Complete

The first action shown, "energize all military associations," was one of the actions proposed at the Pentagon meeting that established the strategy to influence the House on the C-5B program. The printout indicates that the Air Force and Defense Department were to be responsible for carrying out the action. It also shows that the Air Force Office of Legislative Liaison (LL) decided not

to pursue obtaining support from military associations. A senior Air Force official stated that it was decided to "stay away from the associations because they would be torn among the contractors involved and they might come up with something on their own."

The second and third actions shown are related. The print-out indicates that Lockheed was to be responsible for asking a Congressman to ask the Air Force to comment on Congressman Dicks' "Dear Colleague" letter. This particular "Dear Colleague" letter strongly advocated the Boeing 747 aircraft for military airlift. The printout also shows that Congressman Montgomery did ask the Air Force to respond and that on June 11, 1982, a draft response was prepared by the Air Force. The letter was actually dated June 10, 1982. We asked Congressman Montgomery's administrative assistant whether the Congressman was asked to request the information from the Air Force. He stated he believed that Congressman Montgomery made the request on his own initiative. The third action on the printout shows that Lockheed was responsible for distributing the Air Force response to Congressman Montgomery to other members of Congress and that the action was completed. Normally, this response would not have been distributed by the Air Force, except to the addressee.

The second report was a "Congressional Contact Tally" which listed each member of the House, the member's position on the C-5B program, contacts to be made to the member by contractors, Defense officials, and other members of the Congress and further actions to be taken. Typical entries include:

<u>Member</u>	<u>Contr. Contacts</u>	<u>Pos</u>	<u>Member Contacts</u>	<u>Further Actions</u>
Adabbo, Joseph P. (D-NY) 2256R 225-3461, HAC-Def. S/C-Chairman	LOK	u	Ginn	Carlucci one on one. Orr one on one. Against C5 in FY 82 markup.
Gen. Dyn. (GELAC) Colt. Indust. (GELAC) Gen. Dyn. (GELAC)	Blackshaw Bolles Stirk			More work to swing. Will contact. Buy both C-5's and 747s. RKC: See Seelmyer (A/A)

Bennett, Charles E. RBO u Brinkley Member contact
(D-F1) 2107 R 225-2501 P.X. Kelly
Air Force Hale o contact 'C-5
in trouble'

The following explains the abbreviations used in the reports:

A/A : Administrative Assistant
LL : Legislative Liaison
LK : Lockheed Corporation
LOK : Lawrence O. Kitchen, President of Lockheed Corporation
GELAC: Lockheed Corporation, Georgia Company
RBO : Robert B. Ormsby, President of Lockheed Corporation,
Georgia Company
RKC : Richard K. Cook, Vice President, Lockheed Corporation
Pos : Position
o : opposed
u : uncommitted
S/C : subcommittee

The computerized recordkeeping system was developed by Lockheed employees on a Lockheed computer. The computer that produced the reports is located in Building 6, a Government-owned facility of the Lockheed plant in Marietta, Georgia. The development work and data entry were accomplished from Lockheed's Washington office via a data communications link to the main computer. This application of the computer system was developed uniquely for the C-5B lobbying effort.

The computer system was updated daily by Lockheed personnel. Other companies involved in the lobbying effort reported to Lockheed actions they had taken. Often, the actions taken were reported in meetings held by Lockheed with its subcontractors. For the most part, progress on Air Force and OSD actions was entered from notes taken by the president of Lockheed or other Lockheed personnel who attended the airlift strategy meetings. However, on at least one occasion, an Air Force official called a Lockheed employee to report progress made on 10 to 15 tasks that the Air Force was responsible for accomplishing.

The computerized reports were used primarily by the president of Lockheed to help him manage the lobbying effort. One copy of each report was provided to the Air Force Office of Legislative Liaison and the Defense Office of Legislative Affairs. Although Air Force and OSD officials had copies of the Congressional Contact Tally and the lobbying action report, they stated that the reports were neither used nor asked for. One Air Force official stated that

the reports were "shredded" after he read them. However, Air Force airlift strategy meeting memorandums ceased shortly after the Lockheed reports became available.

Computerized records were destroyed

No airlift strategy meeting was held on June 14, 1982. Because there was no meeting, the updated copies of the Congressional Contact Tally and lobbying action report were hand delivered by a Lockheed employee to the Air Force Office of Legislative Liaison and the Defense Office of Legislative Affairs. A copy of each of the two reports for June 14, 1982, was subsequently leaked to the Project on Military Procurement, a private nonprofit public interest organization which, in turn, provided copies to the press.

Lockheed officials said they discovered that their C-5B lobbying reports were provided to members of the press on June 16, 1982. After a final update on June 18, 1982, Lockheed destroyed all computerized records, retaining one copy of the final update. We reviewed that copy and found a number of new items and changes in the format of the reports.

Lockheed's lobbying costs were substantial

The total cost of the Lockheed C-5B program lobbying effort has been estimated by Lockheed at about \$496,000. This amount does not include advertising expenses in the amount of \$265,190 (which are unallowable charges to Defense contracts) for the Washington Post, Wall Street Journal, and Roll Call, nor does it include lobbying costs of Lockheed subcontractors and other companies that supported Lockheed's efforts.

Lockheed has advised us that it views its lobbying costs as allowable costs for reimbursement under existing Federal contracts, primarily because Defense Acquisition Regulation 15-205.51, prohibiting the reimbursement of contractor lobbying costs, was adopted in October 1981 and is not incorporated in the contracts for the vast majority of Lockheed's current Federal work. Lockheed believes the C-5B lobbying costs were incurred in response to requests by congressional and executive branch personnel. However, Lockheed officials have stated that the firm is willing to negotiate a voluntary disallowance for overhead settlement purposes. Unless Defense takes specific action to prevent it, Lockheed could be reimbursed an allocable share (roughly estimated at 54 percent or \$287,840) of the C-5B lobbying costs through Federal payments for current cost-type contracts. We believe such reimbursement for lobbying costs is prohibited by existing legal restrictions on the use of appropriated funds.

The Boeing Company effort

Boeing Company officials estimate that about 166 hours of direct lobbying, about 20 directly related trips, and hundreds of telephone calls and mailgrams to Boeing's principal subcontractors were involved in their lobbying effort to sell Boeing's B-747F between February 1 and July 31, 1982. Assuming a narrow interpretation of the Defense acquisition regulations, Boeing officials estimate that its lobbying costs amounted to \$21,800 and that related unallowable corporate advertising expenses were \$78,000 from February 1 through July 31, 1982. The Boeing estimate excludes many relevant elements of cost, such as salaries of executives, lobbyists, and other employees and related fringe expenses; communications; and outside services; and includes only directly associated travel expenses. Boeing asserts that an appropriately allocated portion of all of its legislative liaison and lobbying costs is allowable and reimbursible under current Federal contracts because Defense Acquisition Regulation 15-205.51 was effective in October 1981, then amended in April 1982, and appropriate clauses are not incorporated in its preexisting contracts. Such contracts constitute the vast majority of Boeing's Federal work in 1982 under cost-type contracts. In our opinion, any reimbursement for lobbying costs is prohibited by existing legal restrictions on the use of appropriated funds.

Lobbying techniques not unique to C-5B

Air Force and OSD officials stated that the actions taken to promote the C-5B program were similar to those taken for other large Defense programs such as the B-1 Bomber and the sale of AWACS aircraft to Saudi Arabia. A senior Air Force official commented that the lobbying effort was "democracy in action."

A senior Lockheed official stated that the lobbying effort was unique only in that a computer was used to help manage it. Similar efforts were made for other large Defense programs; the tasks were similar. The airlift strategy meetings and the use of the computer made the effort more highly organized.

DEFENSE OFFICIALS VIOLATED ANTILOBBYING AND OTHER LAWS

Air Force and OSD officials violated Federal antilobbying laws by using contractors to do things that they could not do themselves. Also, the Defense Department may have exceeded the limitation on the funds it can spend on legislative liaison activities and inappropriately classified--as training, for example--the cost of activities that were obviously for legislative liaison.

Federal antilobbying restrictions

Two laws prohibit the use of appropriated funds for lobbying activities by Defense officials. These are 18 U.S.C. 1913, entitled "Lobbying with appropriated moneys" and section 607(a) of the annual Treasury, Postal Service, and General Government Appropriation Act.

Penal antilobbying law is the responsibility of the Justice Department

The penal statute that is pertinent to lobbying activities of Federal agencies is 18 U.S.C. 1913, and provides that:

"No part of the money appropriated by an enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member of Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

"Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than \$500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him, shall be removed from office or employment."

A review of the legislative history and the case law construction of this statute establishes that the Congress intended to prohibit Federal agencies from using appropriated funds to assist individuals and/or organizations outside Government such as defense contractors, in urging members of Congress to support or oppose legislation pending before the Congress. By the same token the Congress intended to exempt from the lobbying restriction certain direct communications from the executive branch by the following provision:

"* * * but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any member or to Congress, through the proper official channels, request for legislation or appropriations which they deem necessary for the efficient conduct of the public business." (Emphasis added.)

In light of the foregoing, it appears that 18 U.S.C. 1913 is intended primarily to restrict officers and employees of Federal agencies from expending appropriated funds to encourage and assist persons and organizations outside the Federal Government to contact members of Congress on behalf of legislation favored by the agency.

Since the above statute contains fine and imprisonment provisions, its enforcement is the responsibility of the Department of Justice and the courts. Our role in connection with this statute is limited for the most part to determining whether appropriated funds were used in any given instance, and referring matters to the Department of Justice when we deem it appropriate or when we are requested to do so. To the best of our knowledge, no one has ever been successfully prosecuted under this statute.

Section 607(a) antilobbying appropriation restriction is also applicable

Since the early 1950s, various appropriation acts have contained general provisions prohibiting the use of appropriated funds for "publicity or propaganda" designed to influence legislation. The acts appropriating funds for the Department of Defense do not contain such restriction. However, section 607(a) of the Treasury, Postal Service, and General Government Appropriation Act contains an antilobbying restriction:

"No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any corporation or agency, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress." (Emphasis added.)

The prohibition set forth in section 607(a) applies to the use of any appropriation "contained in this or any other Act." Thus, it is applicable to the use of appropriated funds by the Department of Defense.

We recognize that every Federal agency has a legitimate interest in communicating with the public and the Congress regarding its policies and activities. If the policy or program of an agency is affected by pending legislation, including appropriation measure

discussions of that policy by officials will necessarily refer to such legislation and will presumably be either supportive of or in opposition to it. An interpretation of section 607(a), which strictly prohibited expenditures of public funds for dissemination of views on pending legislation, would consequently preclude virtually any comment by officials on administration or agency policy, a result we do not believe was intended.

The prohibition of section 607(a) applies primarily to expenditure by agencies and Departments of appropriated funds designed to encourage and assist certain individuals, members of the public at large, or private organizations in urging members of the Congress to support or oppose pending legislation.

What constitutes a violation?--The question to be answered when there is a possible violation of the appropriations restriction contained in 607(a) is whether any Federal funds were expended on an improper activity. Improper expenditure of funds is difficult to demonstrate when the expenditure is made in connection with authorized activities. However, in the past we have held that improper expenditures include increments of the salaries of officers and employees who spend part of their time performing activities that violate the above-referenced antilobbying appropriations restrictions. Our decision, B-178648 of September 21, 1973, involved a situation in which agencies authorized their employees to prepare recorded news reports of agency activities for daily dissemination to radio stations. Generally, agencies may legitimately expend funds to keep the public informed of their activities. However, some of the agencies would occasionally include in the recorded material an exhortation that listeners contact their congressional representatives and urge them to support or oppose certain legislation. We found this to be a violation of the antilobbying appropriations restrictions. Since the improper lobbying activities were performed by employees who were doing legitimate work, we were unable to determine the amount of time expended on the improper activities and arrive at a cost of employee time.

We believe the precedent set by this earlier decision applies to the Defense Department's lobbying activities in support of the C-5B program. The Director of the Air Force Office of Legislative Liaison invited certain C-5B contractors to attend "airlift strategy" meetings held in his Pentagon office almost daily. The stated rationale for inviting the contractors was to use the contractors' network of lobbyists and other contacts to get the "right" information to the Congress quickly and to get feedback on congressional views. In other words, the purpose was to do things the Air Force was restricted from doing under the antilobbying appropriation restrictions by bringing pressure to bear on members of Congress. During the daily meetings, the contractors reported the results of their lobbying efforts. Defense officials would also report

the results of their lobbying efforts. On at least two occasions an Air Force official telephoned a Lockheed official to provide an update on Air Force actions taken and to obtain information on Lockheed's lobbying efforts.

The Air Force should not use a contractor to engage in grass roots lobbying activities that it could not perform itself. Since the Air Force is prohibited by the above-cited statutory provision from directly mounting a grass roots lobbying campaign by requesting private citizen supporters throughout the country to contact their congressional delegations on behalf of the C-5B procurement, it follows that the Air Force may not engage a network of Defense contractors to accomplish the same result.

Improper activities on the part of Air Force and OSD officials were intermingled with legitimate functions. We found that office space of the Director of the Air Force Office of Legislative Liaison was used for about an hour on about 19 occasions from May 26 through July 12, 1982. Air Force and OSD personnel took part in these meetings. Part of the time was spent discussing activities that the Air Force could not have performed on its own. The costs of salaries for the individuals attending these meetings cannot be segregated from otherwise authorized activities. Without contractor participation, Air Force and OSD officials would not have spent time discussing contractor lobbying activities. Therefore, an undetermined amount of appropriated funds was used improperly to influence pending legislation--a violation of section 607(a). Because of the comingling of proper and improper expenditures, we do not believe it would be practical to recover amounts illegally spent.

Since 18 U.S.C. 1913 contains fine and imprisonment provisions, its enforcement is the responsibility of the Department of Justice and the courts. Accordingly, this Office does not consider it appropriate to comment on its applicability to particular situations or to speculate as to the conduct or activities that would or would not constitute a violation. (20 Comp. Gen. 488 (1941)). Our role in this area is limited, for the most part, to determining whether appropriated funds were used in any given instance, and referring matters to the Department of Justice where deemed appropriate or when requested to do so. Therefore, we are referring the matter of the possible violation of 18 U.S.C. 1913, "Lobbying with appropriated moneys" to the Attorney General.

Defense Department may have exceeded its legislative liaison funds limitation

Another limitation on activities carried out by the Defense Department is an appropriation restriction that limits the amount

of funds that can be spent on legislative liaison. Defense may have exceeded this limitation and may have also inappropriately classified as training, certain activities that were obviously for legislative liaison.

Section 728 of the Department of Defense Appropriation Act (Public Law 97-114, Dec. 29, 1981, 95 Stat 1565) limits to \$7.5 million the amount of funds that the Defense Department can spend on legislative liaison activities during fiscal 1982. This limitation was increased to \$8 million with the enactment of the 1982 Supplemental Appropriation Act (Public Law 97-257, Sept. 10, 1982). However, Defense estimates that it will spend about \$9.6 million for reported legislative liaison activities. Although it appears that Defense may exceed its current limitation by as much as \$1.6 million, this fact cannot be conclusively established until after the end of this fiscal year.

The actual cost of legislative liaison may be even higher than reported because of accounting treatment. For example, the Air Force and the Army have performed legislative liaison activities and classified them as training. At the request of the Air Force's Director of Legislative Liaison, the Air Force and the Army staged a demonstration of the C-5 aircraft at Andrews Air Force Base, Maryland, from June 14 to 16, 1982. The stated purpose of the demonstration was to show interested members of Congress and their staffs the capability of the C-5 aircraft to haul outsize Army combat equipment. Clearly, this is a legislative liaison activity. However, the funds used for the demonstration were charged to training. The C-5 aircraft used in the demonstration was based at Dover Air Force Base, Delaware, and flew to Pope Air Force Base, North Carolina, to pick up Army personnel and equipment. The equipment included two Cobra and one Blackhawk helicopters and two armored vehicles. The cost of the demonstration was estimated at about \$69,800.

The legislative history of this provision contained in House Appropriations Committee report 1830 (85th Cong. 2d sess. 1958 p. 19) establishes that it was the intent of the Congress in enacting the provision to include within the restriction "* * * all costs related to such work including pay of civilian and military personnel and other direct expenses." (Emphasis supplied.)

It could be argued that the appropriation restriction language requires that the cost of the demonstration be accounted for as a legislative liaison expenditure. However, an OSD official stated that, based on a 1975 verbal agreement between the then Assistant Secretary of Defense for Legislation and the then Chairman of the Senate Appropriations Committee, the legislative liaison activity restriction is limited primarily to personnel costs. Congressional

demonstrations are not charged against the restriction. However, we believe the restriction should be amended to specifically indicate which costs related to legislative liaison activities are covered.

Conclusions

An extensive and cooperative effort was initiated and directed by officials of the Air Force and the Office of the Secretary of Defense, with the Lockheed Corporation and several other Defense and non-Defense firms, for the purpose of influencing members of the Congress on the proposed \$10 billion procurement of 50 C-5B aircraft, then under consideration by the Congress.

Air Force and OSD officials have violated Federal antilobbying laws by expending appropriated funds in the aiding and supporting of contractors to perform lobbying activities. Also, reimbursement to these contractors for portions of their lobbying costs as overhead expenses incident to current year Government cost-type contracts is prohibited by section 607(a).