

# Ronald Reagan Presidential Library Digital Library Collections

---

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

---

**Collection:** Wallison, Peter J.: Files  
**Folder Title:** Ethics - 1986 Thurmond Legislation (4)  
**Box:** OA 14008

---

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

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

National Archives Catalogue: <https://catalog.archives.gov/>

THE WHITE HOUSE

WASHINGTON

July 15, 1986

MEMORANDUM FOR JAY B. STEPHENS

FROM:

ROBERT M. KRUGER *RMK*

SUBJECT:

OGE Testimony on H.R. 5097 (Glickman Bill on Post-Government Employment)

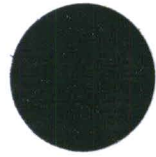
Based on our conversations regarding the above-referenced testimony, I am taking no further action on this matter. As I reported to you yesterday, H.R. 5097 sweeps more broadly than the version of S. 2334 reported out of the Senate Judiciary Committee. Mr. Martin's testimony is not at all critical of the bill and, in fact, appears only to take issue with H.R. 5097 only insofar as it differs from S. 2334. Even in this respect, the testimony fails to oppose the widening of the proscription against foreign representation or even to note that H.R. 5097 defines both "foreign entity" and "covered individuals" more expansively than does S. 2334. Surprisingly, the Department of Justice is not testifying at all at the hearing on this bill.

I understand that our comments and recommendations for tougher testimony have been communicated to Mr. Martin by OMB. The revised testimony we received today represents only marginal improvement.

*Noted.  
- OMB. 905.  
7-16-86.*

*To file  
Thompson ERH Jr*

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET



O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 1/1

Name of Correspondent: Naomi Sweeney

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Office of Government Ethics testimony for July 16 on H.R. 5097, a bill to amend chapter 11 of title 18, United States Code, to prohibit the President, the Vice President, certain other former Federal civilian and military personnel, and members of Congress from representing or advising certain foreign entities for a period of 4 years after leaving Government service, and for other purposes.

ROUTE TO: \_\_\_\_\_ ACTION \_\_\_\_\_ DISPOSITION \_\_\_\_\_

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>CUH06H</u>	<u>ORIGINATOR</u>	<u>86107110</u>		<u>1/1</u>
	Referral Note:			
<u>CUAT 28</u>	<u>D</u>	<u>86107110</u>	<u>S</u>	<u>86107114</u>
	Referral Note:		<u>COB</u>	
		<u>1/1</u>		<u>1/1</u>
	Referral Note:			
		<u>1/1</u>		<u>1/1</u>
	Referral Note:			
		<u>1/1</u>		<u>1/1</u>
	Referral Note:			

**ACTION CODES:**

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: \_\_\_\_\_

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

July 10, 1986

**SPECIAL  
SPECIAL**

LEGISLATIVE REFERRAL MEMORANDUM

**TO:** Legislative Liaison Officer -  
Department of Justice - Jack Perkins 633-2113

**SUBJECT:** Office of Government Ethics testimony for JULY 16 on H.R. 5097, a bill "to amend chapter 11 of title 18, United States Code, to prohibit the President, the Vice President, certain other former Federal civilian and military personnel, and Members of Congress from representing or advising certain foreign entities for a period of 4 years after leaving Government service, and for other purposes."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than COB MONDAY JULY 14, 1986.

Questions should be referred to Hilda Schreiber (395-7362 )  
the legislative analyst in this office.

(Signed) Naomi R. Sweeney

Naomi R. Sweeney for  
Assistant Director for  
Legislative Reference

**Enclosures**

cc: Peter Wallison WH Counsel ✓  
Jack Carley  
Naomi Sweeney



United States Government  
**MEMORANDUM**

**Office of  
Government Ethics**

JUL 10 1985

**Subject:** Testimony of Director, Office of Government Ethics - House Committee on the Judiciary, Subcommittee on Administrative Law and Governmental Relations

**From:** David H. Martin  
Director



**To:** Assistant Director for Legislative Reference  
Office of Management and Budget  
Attn: Hilda Schreiber

Attached is a copy of my proposed testimony on the revolving door and other post-employment conflicts of interest problems.

Attachment

FOR RELEASE ON DELIVERY  
Expected at 9:30 A.M. EST  
July 16, 1986

STATEMENT OF

DAVID H. MARTIN  
DIRECTOR  
OFFICE OF GOVERNMENT ETHICS

BEFORE  
COMMITTEE ON THE JUDICIARY  
SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS  
UNITED STATES HOUSE OF REPRESENTATIVES

ON

REVOLVING DOOR AND OTHER POST-EMPLOYMENT CONFLICTS OF INTEREST PROBLEMS

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I appreciate the invitation to appear before this Subcommittee as a follow-up to my earlier appearance on this very important issue.

Since testifying before this Committee on May 21st two important pieces of legislation have been introduced that address these issues.

? what was testimony about

First, the Senate Judiciary Committee reported out S. 2334, the Integrity in Post Government Employment Act of 1986, which would:

- Prohibit GS-16's and above and uniformed service personnel at 0-7 and above including employees of Congress, and the Judicial branch, for a period of one-year after termination of federal service, from representing (for remuneration) anyone before the agency or entity in which the person served.

- Prohibit certain high level officials including Executive Level I through III and Presidential assistants in the Executive Branch and Members of Congress and Judges, for a period of 18 months after termination of federal service, from communicating with the intent to influence (for remuneration) with anyone in the executive, legislative or Judicial branch of Government.
- Prohibit GS-16 and above and uniformed service personnel at 0-7 and above, and certain employees of Congress and the Judicial branch, for a period of 2 years after termination of federal service from representing foreign entities for remuneration.
- Prohibit certain high level officials including Executive Level I through III and Presidential assistants in the Executive Branch, Members of Congress and Judges for a period of three years after termination of federal service, from being employed by, or representing a foreign entity for remuneration.
- Increase the criminal penalties for violations and add a provision for injunctive relief.
- Provide that any proceeds received in violation of § 207(a), (b) or (c) are subject to forfeiture to the United States in civil action brought by the Attorney General.
- Provide for an exception to the prohibitions of (c) for activities on behalf of bona fide religious, charitable, scholastic, academic or scientific pursuits or of the fine arts; activities in furtherance of the purposes of an international

organization of which the United States is a member; and limited soliciting or collecting of funds and contributions within United States to be used for medical aid and to relieve human suffering.

- Require that certain high level officials including Executive level I through III and Presidential assistants in the Executive branch, Members of Congress and Judges who engage in domestic lobbying of the United States file a registration statement with his or her former agency within 10 days after agreement to lobby has been reached. The registration statement must be under oath in a form prescribed by the agency and must include the registrant's name, former association with the agency, statement of the nature of registrant's business and list all clients employing the registrant to lobby; list the registrant's employees and a statement of the nature of the work of each; provide copies of written agreements and terms of oral agreements; provide a detailed statement of proposed activities; a detailed statement of any such activity which is a political activity; and the nature and amount of contributions, income, or things of value the registrant has received within the preceding sixty days: Supplemental lobbying statements must be filed within thirty days after expiration of each period of six months. Statement filing ceases five years after the registrant terminates federal employment.
- Require that certain high level officials, under the Foreign Agents Registration Act identify any foreign principal for which representational or employment activities are conducted, disclose the frequency of contact with such foreign principals, and disclose only actions taken to influence. Registrants must declare that they have not disclosed confidential Government information or tactics.



- Provide criminal penalties for knowing and willful falsification or cover-up of information required by registrant.
- Provide an exception to subsection (b) and (c) for an attorney appearing in a judicial proceeding before a court of the United States.
- Provide that the Attorney General may grant an exemption from the prohibition of § 207(a), (b) and (c) after a determination is published in the Federal Register that such exemption would serve the overriding public interest or general public welfare or the interest of the Federal Government.
- Remove Office of Government Ethics' discretionary authority to designate "Senior employees" for purposes of § 207(c) prohibitions.
- Remove Office of Government Ethics' discretionary authority to designate separate statutory and nonstatutory components for purposes of limiting the proscriptions of § 207(c).
- Provide an effective date which is six months after date of enactment.

Second, H.R. 5097 the current measure under consideration by this Subcommittee would:

- Prohibit, for a period of 4 years after federal service ceases, certain high level federal officials (executive level I through V; 0-7 and above uniform services; members of Congress; President and Vice President; and Presidential assistants)

from representing or advising foreign governments, foreign political parties or business enterprises in which the decision-making is controlled directly or indirectly by a foreign government.

- Provide for both civil and criminal penalties for knowing and willful violations.
- Provide for waivers where findings are made that the proposed employment would not harm national interest or create an undue appearance problem.
- Provide that the Attorney General may seek injunctive relief to preclude anticipatory violations.
- Expand the current provisions of 18 U.S.C. § 207(e) to eliminate separate statutory treatment for components of the Executive Office of the President.
- Provide civil penalties for violations of § 207(a), (b) and (c) including recoupment of compensation resulting from prohibited employment. Violations under this section would be established by a preponderance of the evidence.
- Provide an effective date of generally on January 1, 1987. However, separate statutory limitation of § 207(e) involving Executive Office of the President would take effect on the date of enactment.

In both proposals the areas of prohibited activities include not only "representational activities," but also "rendering of advice," a restriction which is much broader in scope than that of present post-employment restrictions. We note also that senior congressional

staff members are not included in the coverage of the House version. As you know we previously expressed the view that these provisions if enacted should apply uniformly to all branches of government.

We are pleased that the provisions of H.R. 5097 retain the proscriptions contained in the current provisions of sections 207(a), (b) and (C). We believe it is important to maintain these prohibitions which deal with the so called "switching sides" and "revolving door" issues.

H.R. 5097 limits the effect of new restrictions to higher ranking executive branch personnel thereby lessening the impact on retention and recruitment problems at lower grade positions. Additionally, while no current statistics are available on this point, we are convinced that recruitment of personnel to serve in more senior positions would be enhanced if the restricted periods were shortened. We believe that the four year prohibition is not justified.

need to  
restrict  
reach the  
high?

We believe that the introduction of additional civil remedies to assist in the all-over enforcement is a positive step. We believe that a civil remedy is a viable option in many instances where a criminal action may not be brought because of the varied considerations involved in determining prosecutable offenses.

now  
can  
or  
of

We believe that in lieu of further expansion of Section 207(e) to eliminate separate statutory treatment for components of the Executive Office of the President, consideration should be given to the outright elimination of the discretionary designation of "senior employees". This would be accompanied by a proposed two tier system. We recommend that executive level employees receive no relief from the agency wide



prohibitions. However, grade GS-17 and above employees would enjoy the benefit of separate statutory determinations made by the Director of OGE. The use of separate non-statutory determinations within a department based on subject matter jurisdiction should be eliminated.

Currently, two of the restrictions applicable to former government employees - the one year "cooling off" period established by 18 U.S.C. § 207(e) and the two-year ban on assisting in representing set forth in Section 207(b)(ii) - are only applicable to certain high level officials. These officials are listed in Section 207(d)(1) and include "senior employees" automatically designated pursuant to Section 207(d)(1)(A) and (B) and those discretionarily designated by the Office of Government Ethics in consultation with the department or agency concerned pursuant to Section 207(d)(1)(C). Only eligible positions involving significant decision making or supervisory responsibility are to be designated. Section 207(e) provides that, as to designated senior employees, the Director of the Office of Government Ethics may limit the restriction of Section 207(c) to permit a former government official who served in a separate agency or bureau within a department or agency to make appearances before or communications to persons in an unrelated agency or bureau, within the same department or agency having a separate and distinct statutory basis for its function. 18 U.S.C. § 207(d)(1)(C) has similar results for unrelated agencies or bureaus with a Department or agency, having separate and distinct subject matter jurisdiction.

Experience has shown that the designation process is both unnecessary and unworkable. The senior employees who are eligible for designation under Subsection (d)(1)(C) are not ordinarily high enough in an agency's hierarchy to have the kind of influence envisioned by Section 207(c). In addition, the Office of Government Ethics and the individual agencies have found the designation process extremely difficult



to administer. The designation process requires a current position description of each eligible employee along with an explanation of where he or she fits into the organization's chain of command. This has proven to be a most difficult task in the light of frequent agency reorganizations, changes in administration, reductions in force, and other changes in personnel.

The separate, nonstatutory agency determinations are also cumbersome. While such determinations require the Director to make an independent finding that there is no potential for real or apparent undue influence or unfair advantage, the Act provides few meaningful standards to use in making the discretionary determinations required by Section 207(d)(1)(C) and 207(e), with the inevitable result that decisions are often based on inadequate factual records.

Implementation of the current language of S. 2334 would result in an anomalous situation where the current provisions of sections 207(a) and (b)(i) would apply only to Executive branch personnel, while the provisions of section 207(b)(ii) would apply to all three branches of Government. Such a result seems to be inconsistent with the expressed purpose of the proposed legislation; that of preventing former employees from influencing representatives of their former employers.

not  
hesitatingly  
or  
S 2334

We see potential problems in the waiver provisions and feel they are of little value because of their infrequent use and potential for misapplication by virtue of their vague standards. Waiver authority in both the House and Senate versions should be consistent. Authority of Heads of Agencies and Office of Government Ethics should be modified under Section 207(F) to reflect such consistency.

I would be pleased to answer any questions for the subcommittee.

99TH CONGRESS  
2D SESSION

H. R. 5097

IN THE HOUSE OF REPRESENTATIVES

Mr. GLICKMAN <sup>(for himself, Mr. Wolpe, Ms. Kaptur, Mr. Frank, Ms. Schroeder, and Mr. Fish)</sup> introduced the following bill; which was referred to the Committee on \_\_\_\_\_

A BILL

To amend chapter 11 of title 18, United States Code, to prohibit the President, the Vice President, certain other former Federal civilian and military personnel, and Members of Congress from representing or advising certain foreign entities for a period of 4 years after leaving Government service, and for other purposes.

1 Be it enacted by the Senate and House of Representatives  
2 of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the ``Foreign Representation  
3 Restrictions Act of 1986``.

4 SEC. 2. LIMITATIONS ON REPRESENTING OR ADVISING CERTAIN  
5 FOREIGN ENTITIES.

6 (a) IN GENERAL.--Chapter 11 of title 18, United States  
7 Code, is amended by inserting after section 207 the following  
8 new section:

9 ``§207a. Limitation on the representation or advising of  
10 certain foreign entities by certain former Federal  
11 officers and employees and members of the uniformed  
12 services

13 (a) Any person who serves as an officer or employee, or  
14 a member of a uniformed service, described in subsection (c),  
15 may not, during the 4-year period after that person's service  
16 as such an officer or employee has ceased, in connection with  
17 any transaction with the United States Government, act as an  
18 agent or attorney for or otherwise represent or advise--

19 (1) the government of a foreign country;

20 (2) a foreign political party; or

21 (3) a business enterprise the decisionmaking of  
22 which is controlled, directly or indirectly, by a foreign  
23 government or foreign governments.

24 (b)(1) Any person described in subsection (c) who  
25 knowingly and willfully violates subsection (a) shall be



1 imprisoned for not more than two years and shall be subject  
2 to a fine in the amount provided in this title.

3     “(2) Any person described in subsection (c) who  
4 knowingly and willfully violates subsection (a) shall be  
5 subject to a civil penalty of \$50,000, or the amount of  
6 compensation which the person received for the prohibited  
7 employment or other activity, whichever amount is greater.  
8 The Attorney General may bring an action under this paragraph  
9 in an appropriate United States district court against any  
10 such person. A violation under this paragraph must be  
11 established by a preponderance of the evidence. The penalty  
12 under this paragraph is in lieu of the penalty under  
13 paragraph (1).

14     “(c) The prohibitions set forth in subsection (a) apply  
15 to--

16         “(1) the President of the United States;

17         “(2) the Vice President of the United States;

18         “(3) the head of each executive department as  
19 defined in section 101 of title 5;

20         “(4) an individual who--

21             “(A) is appointed by the President under section  
22 105(a)(2)(A) of title 3;

23             “(B) is appointed by the Vice President under  
24 section 106(a)(1)(A) of title 3;

25             “(C) is not described in paragraph (3) or



1           subparagraph (A) or (B) and serves in a position in  
2           level I, level II, level III, level IV, or level V of  
3           the Executive Schedule; or

4           ``(D) is a member of a uniformed service in a pay  
5           grade of O-7 or higher and is serving on active duty;  
6           and

7           ``(5) each Member of Congress.

8           ``(d)(1) For purposes of subsection (c)(4)(D), the term  
9           `uniformed services' means the Army, Navy, Air Force, Marine  
10          Corps, Coast Guard, National Oceanic and Atmospheric  
11          Administration, and Public Health Service.

12          ``(2) For purposes of this section, the service of a  
13          member or former member of a uniformed service shall be  
14          considered to have ceased upon such member's discharge or  
15          release from active duty.

16          ``(e)(1) An individual described in subsection (c) may  
17          apply--

18                 ``(A) to the Attorney General in the case of an  
19                 individual described in paragraph (1), (2), (3), or (4)  
20                 of subsection (c), or

21                 ``(B) to the Committee on Standards of Official  
22                 Conduct of the House of Representatives, or the Select  
23                 Committee on Ethics of the Senate, as the case may be, in  
24                 the case of a Member of Congress,

25          for a waiver of the applicability of the prohibition

1 contained in subsection (a) with respect to employment or  
2 another activity prohibited by subsection (a).

3 (2) The Attorney General, or the appropriate committee  
4 referred to in paragraph (1)(B), as the case may be, may  
5 grant a waiver under paragraph (1) if the applicant can  
6 demonstrate that the proposed employment or other activity--

7 (A) could not harm the security, trade, or other  
8 national interests of the United States; and

9 (B) would not create an undue appearance of  
10 conflict of interest.

11 (3) An individual who applies for a waiver under  
12 paragraph (1) and who does not receive a determination under  
13 paragraph (2) on the waiver within 90 days after the  
14 application is made may accept the employment, or engage in  
15 the activity, with respect to which the application is made.

16 (4) Upon the filing of any application for a waiver  
17 under this subsection, and upon the granting of any such  
18 waiver, notice of such filing or granting shall be  
19 published--

20 (A) in the Federal Register, in the case of  
21 applications to, and waivers granted by, the Attorney  
22 General; or

23 (B) in the Congressional Record, in the case of  
24 applications to, and waivers granted by, a committee  
25 referred to in paragraph (1)(B).

*PCJ 1000  
1000 or  
d. 1000  
1000*

?

1       “(f) If the Attorney General has reason to believe that  
2 a person is engaging or is about to engage in employment or  
3 another activity in violation of subsection (a), the Attorney  
4 General may petition an appropriate United States district  
5 court for an order prohibiting that person from engaging in  
6 such employment or activity. The court may issue such order  
7 if it finds that such employment or activity does or would  
8 violate subsection (a). The filing of a petition under this  
9 subsection does not preclude any other remedy which is  
10 available by law to the United States or any other person.”.

11       (b) TECHNICAL AMENDMENT.--The table of sections for  
12 chapter 11 of title 18, United States Code, is amended by  
13 inserting after the item relating to section 207 the  
14 following new item:

    “207a. Limitation on the representation or advising of  
        certain foreign entities by certain former Federal  
        officers and employees and members of the uniformed  
        services.”

15 SEC. 3. OTHER CONFLICTS OF INTEREST.

16       (a) DESIGNATION OF SEPARATE AGENCIES AND  
17 BUREAUS.--Subsection (e) of section 207 of title 18, United  
18 States Code, is amended to read as follows:

19       “(e)(1) For purposes of subsection (c) and except as  
20 provided in paragraph (2), whenever the Director of the  
21 Office of Government Ethics determines that a separate  
22 statutory agency or bureau within a department or agency



1 exercises functions which are distinct and separate from the  
2 remaining functions of the department or agency, the Director  
3 shall by rule designate such agency or bureau as a separate  
4 department or agency.

5 `` (2)(A) For purposes of subsection (c), a designation of  
6 an agency or bureau under paragraph (1) shall not apply with  
7 respect to--

8 `` (i) a former head of that designated agency or  
9 bureau; or

10 `` (ii) any former officer or employee of the  
11 department or agency within which the designated agency  
12 or bureau exists, if the official responsibilities of the  
13 officer or employee included supervision of that  
14 designated agency or bureau.

15 `` (B) For purposes of paragraph (1), the Executive Office  
16 of the President shall be considered a department or agency  
17 without any separate agencies or bureaus.``

18 (b) CIVIL PENALTY; ORDERS PROHIBITING ACTIVITY.--Section  
19 207 of title 18, United States Code, is amended by adding at  
20 the end the following:

21 `` (k) Any person who violates subsection (a), (b), (c),  
22 or (g) shall be subject to a civil penalty of \$50,000, or the  
23 amount of compensation which the person received for the  
24 prohibited employment or other activity, whichever amount is  
25 greater. The Attorney General may bring an action under this



1 subsection in an appropriate United States district court  
2 against any such person. A violation under this subsection  
3 must be established by a preponderance of the evidence. The  
4 penalty under this subsection is in lieu of the penalties  
5 otherwise provided in this section for violations of  
6 subsection (a), (b), (c), or (g).

7 (1) If the Attorney General has reason to believe that  
8 a person is engaging or is about to engage in employment or  
9 another activity in violation of subsection (a), (b), (c), or  
10 (g), the Attorney General may petition an appropriate United  
11 States district court for an order prohibiting that person  
12 from engaging in such employment or activity. The court may  
13 issue such order if it finds that such employment or activity  
14 does or would violate subsection (a), (b), (c), or (g). The  
15 filing of a petition under this subsection does not preclude  
16 any other remedy which is available by law to the United  
17 States or any other person.

18 SEC. 4. EFFECTIVE DATE.

19 (a) IN GENERAL.--Subject to subsections (b) and (c), this  
20 Act and the amendments made by this Act take effect on  
21 January 1, 1987.

22 (b) FOR SECTION 3(a).--Subject to subsection (c), the  
23 amendment made by section 3(a) takes effect on the date of  
24 the enactment of this Act.

25 (c) EFFECT ON EMPLOYMENT.--(1) The amendments made by

1 this Act do not, except as provided in paragraph (2), apply  
2 to a person whose service as an officer or employee to which  
3 such amendments apply terminated before the effective date of  
4 such amendments.

5 (2) Paragraph (1) does not preclude the application of  
6 the amendments made by this Act to a person with respect to  
7 service as an officer or employee by that person on or after  
8 the effective date of such amendments.

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

ROUTE SLIP

<b>TO</b> JAY STEPHENS	Take necessary action <input type="checkbox"/>
BOB KRUGER ✓	Approval or signature <input type="checkbox"/>
JACK CARLEY	Comment <input type="checkbox"/>
	Prepare reply <input type="checkbox"/>
	Discuss with me <input type="checkbox"/>
	For your information <input type="checkbox"/>
	See remarks below <input type="checkbox"/>
<b>FROM</b> Hilda Schreiber	<b>DATE</b> 7-15-86

**REMARKS** HERewith A REVISION OF OGE TESTIMONY FOR 9:30 AM TOMORROW  
ON THE GLICKMAN BILL, H.R. 5097

INSERTED MATERIAL ON PAGE 6 was suggested by Jack Carley.  
The deletions at pages 6, 7 and 8 were largely to eliminate  
amendments David Martin was suggesting, and any material that  
implied acceptance of the bills or attempted to "fix" them.  
PLEASE GET BACK TO ME AS SOON AS POSSIBLE BUT NO LATER THAN 3 PM  
TODAY.



**FOR RELEASE ON DELIVERY**  
**Expected at 9:30 A.M. EST**  
**July 16, 1986**

**STATEMENT OF**

**DAVID H. MARTIN**  
**DIRECTOR**  
**OFFICE OF GOVERNMENT ETHICS**

**BEFORE**  
**COMMITTEE ON THE JUDICIARY**  
**SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS**  
**UNITED STATES HOUSE OF REPRESENTATIVES**

**ON**

**REVOLVING DOOR AND OTHER POST-EMPLOYMENT CONFLICTS OF INTEREST PROBLEMS**

**MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:**

I appreciate the invitation to appear before this Subcommittee as a follow-up to my earlier appearance on this very important issue.

Since testifying before this Committee on May 21st two important pieces of legislation have been introduced that addresses these issues.

First, the Senate Judiciary Committee reported out S. 2334, the Integrity in Post Government Employment Act of 1986, which would:

- Prohibit GS-16's and above and uniformed service personnel at 0-7 and above including employees of Congress, and the Judicial branch, for a period of one-year after termination of federal service, from representing (for remuneration) anyone before the agency or entity in which the person served.

- Prohibit certain high level officials including Executive Level I through III and Presidential assistants in the Executive Branch and Members of Congress and Judges, for a period of 18 months after termination of federal service, from communicating with the intent to influence (for remuneration) with anyone in the executive, legislative or Judicial branch of Government.
- Prohibit GS-16 and above and uniformed service personnel at 0-7 and above, and certain employees of Congress and the Judicial branch, for a period of 2 years after termination of federal service from representing foreign entities for remuneration.
- Prohibit certain high level officials including Executive Level I through III and Presidential assistants in the Executive Branch, Members of Congress and Judges for a period of three years after termination of federal service, from being employed by, or representing a foreign entity for remuneration.
- Increase the criminal penalties for violations and add a provision for injunctive relief.
- Provide that any proceeds received in violation of § 207(a), (b) or (c) are subject to forfeiture to the United States in civil action brought by the Attorney General.
- Provide for an exception to the prohibitions of (c) for activities on behalf of bona fide religious, charitable, scholastic, academia or scientific pursuits or of the fine arts; activities in furtherance of the purposes of an international

organization of which the United States is a member; and limited soliciting or collecting of funds and contributions within United States to be used for medical aid and to relieve human suffering.

- Require that certain high level officials including Executive level I through III and Presidential assistants in the Executive branch, Members of Congress and Judges who engage in domestic lobbying of the United States file a registration statement with his or her former agency within 10 days after agreement to lobby has been reached. The registration statement must be under oath in a form prescribed by the agency and must include the registrant's name, former association with the agency, statement of the nature of registrant's business and list all clients employing the registrant to lobby; list the registrant's employees and a statement of the nature of the work of each; provide copies of written agreements and terms of oral agreements; provide a detailed statement of proposed activities; a detailed statement of any such activity which is a political activity; and the nature and amount of contributions, income, or things of value the registrant has received within the preceding sixty days: Supplemental lobbying statements must be filed within thirty days after expiration of each period of six months. Statement filing ceases five years after the registrant terminates federal employment.
- Require that certain high level officials, under the Foreign Agents Registration Act identify any foreign principal for which representational or employment activities are conducted, disclose the frequency of contact with such foreign principals, and disclose only actions taken to influence. Registrants must declare that they have not disclosed confidential Government information or tactics.



- Provide criminal penalties for knowing and willful falsification or cover-up of information required by registrant.
- Provide an exception to subsection (b) and (c) for an attorney appearing in a judicial proceeding before a court of the United States.
- Provide that the Attorney General may grant an exemption from the prohibition of § 207(a), (b) and (c) after a determination is published in the Federal Register that such exemption would serve the overriding public interest or general public welfare or the interest of the Federal Government.
- Remove Office of Government Ethics' discretionary authority to designate "Senior employees" for purposes of § 207(c) prohibitions.
- Remove Office of Government Ethics' discretionary authority to designate separate statutory and nonstatutory components for purposes of limiting the proscriptions of § 207(c).
- Provide an effective date which is six months after date of enactment.

Second, H.R. 5097 the current measure under consideration by this Subcommittee would:

- Prohibit, for a period of 4 years after federal service ceases, certain high level federal officials (executive level I through V; 0-7 and above uniform services; members of Congress; President and Vice President; and Presidential assistants)

from representing or advising foreign governments, foreign political parties or business enterprises in which the decision-making is controlled directly or indirectly by a foreign government.

- Provide for both civil and criminal penalties for knowing and willful violations.
- Provide for waivers where findings are made that the proposed employment would not harm national interest or create an undue appearance problem.
- Provide that the Attorney General may seek injunctive relief to preclude anticipatory violations.
- Expand the current provisions of 18 U.S.C. § 207(e) to eliminate separate statutory treatment for components of the Executive Office of the President.
- Provide civil penalties for violations of § 207(a), (b) and (c) including recoupment of compensation resulting from prohibited employment. Violations under this section would be established by a preponderance of the evidence.
- Provide an effective date of generally on January 1, 1987. However, separate statutory limitation of § 207(e) involving Executive Office of the President would take effect on the date of enactment.

In both proposals the areas of prohibited activities include not only "representational activities," but also "rendering of advice," a restriction which is much broader in scope than that of present post-employment restrictions. We believe that the current provisions

of section 207 are adequate to meet the post employment problems and concerns of the executive branch. We note that senior congressional staff members are not included in the coverage of the House version. *There can be no possible justification for excluding Congressional Staff from coverage of these provisions if enacted should apply uniformly to all branches of government provisions and from existing law.* As you know we previously expressed the view that

The provisions of H.R. 5097 retain the proscriptions contained in the current provisions of sections 207(a), (b) and (c). We believe it is important to maintain these prohibitions which deal with the so called "switching sides" and "revolving door" issues.

Implementation of the current language of S. 2334 would result in an anomalous situation where the current provisions of sections 207(a) and (b)(i) would apply only to Executive branch personnel, while the provisions of section 207(b)(ii) would apply to all three branches of Government. Such a result seems to be inconsistent with the expressed purpose of the proposed legislation; that of preventing former employees from influencing representatives of their former employers.

~~We see potential problems in the waiver provisions and feel they are of little value because of their infrequent use and potential for misapplication by virtue of their vague standards. Waiver authority in both the House and Senate versions should be consistent. Authority of Heads of Agencies and Office of Government Ethics should be modified under Section 207(f) to reflect such consistency.~~

I would be pleased to answer any questions for the subcommittee.

*Having said that, I wish to reiterate the Administration's view that this legislation as well as that which was reported by the Senate Judiciary Committee, is both unnecessary & unwise. The current law is adequate to meet the concerns recently expressed and only needs to be enforced. These bills will do good people from entering Government service with no offsetting advantages.*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

ROUTE SLIP

<b>TO</b> JAY STEPHENS ✓	Take necessary action	<input type="checkbox"/>
BOB KRUGER	Approval or signature	<input type="checkbox"/>
JACK CARLEY	Comment	<input type="checkbox"/>
	Prepare reply	<input type="checkbox"/>
	Discuss with me	<input type="checkbox"/>
	For your information	<input type="checkbox"/>
	See remarks below	<input type="checkbox"/>
<b>FROM</b> Hilda Schreiber	<b>DATE</b> 7-15-86	



*file  
Thurmond.  
Officer Bell*

**REMARKS** HERewith A REVISION OF OGE TESTIMONY FOR 9:30 AM TOMORROW  
ON THE GLICKMAN BILL, H.R. 5097

INSERTED MATERIAL ON PAGE 6 was suggested by Jack Carley.  
The deletions at pages 6, 7 and 8 were largely to eliminate  
amendments David Martin was suggesting, and any material that  
implied acceptance of the bills or attempted to "fix" them.  
PLEASE GET BACK TO ME AS SOON AS POSSIBLE BUT NO LATER THAN 3 PM  
TODAY.

1982 JUL 12 11 10

**FOR RELEASE ON DELIVERY**  
**Expected at 9:30 A.M. EST**  
**July 16, 1986**

**STATEMENT OF**

**DAVID H. MARTIN**  
**DIRECTOR**  
**OFFICE OF GOVERNMENT ETHICS**

**BEFORE**  
**COMMITTEE ON THE JUDICIARY**  
**SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS**  
**UNITED STATES HOUSE OF REPRESENTATIVES**

**ON**

**REVOLVING DOOR AND OTHER POST-EMPLOYMENT CONFLICTS OF INTEREST PROBLEMS**

**MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:**

I appreciate the invitation to appear before this Subcommittee as a follow-up to my earlier appearance on this very important issue.

Since testifying before this Committee on May 21st two important pieces of legislation have been introduced that addresses these issues.

First, the Senate Judiciary Committee reported out S. 2334, the Integrity in Post Government Employment Act of 1986, which would:

- Prohibit GS-16's and above and uniformed service personnel at 0-7 and above including employees of Congress, and the Judicial branch, for a period of one-year after termination of federal service, from representing (for remuneration) anyone before the agency or entity in which the person served.

- Prohibit certain high level officials including Executive Level I through III and Presidential assistants in the Executive Branch and Members of Congress and Judges, for a period of 18 months after termination of federal service, from communicating with the intent to influence (for remuneration) with anyone in the executive, legislative or Judicial branch of Government.
- Prohibit GS-16 and above and uniformed service personnel at 0-7 and above, and certain employees of Congress and the Judicial branch, for a period of 2 years after termination of federal service from representing foreign entities for remuneration.
- Prohibit certain high level officials including Executive Level I through III and Presidential assistants in the Executive Branch, Members of Congress and Judges for a period of three years after termination of federal service, from being employed by, or representing a foreign entity for remuneration.
- Increase the criminal penalties for violations and add a provision for injunctive relief.
- Provide that any proceeds received in violation of § 207(a), (b) or (c) are subject to forfeiture to the United States in civil action brought by the Attorney General.
- Provide for an exception to the prohibitions of (c) for activities on behalf of bona fide religious, charitable, scholastic, academia or scientific pursuits or of the fine arts; activities in furtherance of the purposes of an international



organization of which the United States is a member; and limited soliciting or collecting of funds and contributions within United States to be used for medical aid and to relieve human suffering.

- Require that certain high level officials including Executive level I through III and Presidential assistants in the Executive branch, Members of Congress and Judges who engage in domestic lobbying of the United States file a registration statement with his or her former agency within 10 days after agreement to lobby has been reached. The registration statement must be under oath in a form prescribed by the agency and must include the registrant's name, former association with the agency, statement of the nature of registrant's business and list all clients employing the registrant to lobby; list the registrant's employees and a statement of the nature of the work of each; provide copies of written agreements and terms of oral agreements; provide a detailed statement of proposed activities; a detailed statement of any such activity which is a political activity; and the nature and amount of contributions, income, or things of value the registrant has received within the preceding sixty days: Supplemental lobbying statements must be filed within thirty days after expiration of each period of six months. Statement filing ceases five years after the registrant terminates federal employment.
- Require that certain high level officials, under the Foreign Agents Registration Act identify any foreign principal for which representational or employment activities are conducted, disclose the frequency of contact with such foreign principals, and disclose only actions taken to influence. Registrants must declare that they have not disclosed confidential Government information or tactics.

- Provide criminal penalties for knowing and willful falsification or cover-up of information required by registrant.
- Provide an exception to subsection (b) and (c) for an attorney appearing in a judicial proceeding before a court of the United States.
- Provide that the Attorney General may grant an exemption from the prohibition of § 207(a), (b) and (c) after a determination is published in the Federal Register that such exemption would serve the overriding public interest or general public welfare or the interest of the Federal Government.
- Remove Office of Government Ethics' discretionary authority to designate "Senior employees" for purposes of § 207(c) prohibitions.
- Remove Office of Government Ethics' discretionary authority to designate separate statutory and nonstatutory components for purposes of limiting the proscriptions of § 207(c).
- Provide an effective date which is six months after date of enactment.

Second, H.R. 5097 the current measure under consideration by this Subcommittee would:

- Prohibit, for a period of 4 years after federal service ceases, certain high level federal officials (executive level I through V; 0-7 and above uniform services; members of Congress; President and Vice President; and Presidential assistants)

from representing or advising foreign governments, foreign political parties or business enterprises in which the decision-making is controlled directly or indirectly by a foreign government.

- Provide for both civil and criminal penalties for knowing and willful violations.
- Provide for waivers where findings are made that the proposed employment would not harm national interest or create an undue appearance problem.
- Provide that the Attorney General may seek injunctive relief to preclude anticipatory violations.
- Expand the current provisions of 18 U.S.C. § 207(e) to eliminate separate statutory treatment for components of the Executive Office of the President.
- Provide civil penalties for violations of § 207(a), (b) and (c) including recoupment of compensation resulting from prohibited employment. Violations under this section would be established by a preponderance of the evidence.
- Provide an effective date of generally on January 1, 1987. However, separate statutory limitation of § 207(e) involving Executive Office of the President would take effect on the date of enactment.

In both proposals the areas of prohibited activities include not only "representational activities," but also "rendering of advice," a restriction which is much broader in scope than that of present post-employment restrictions. We believe that the current provisions



of section 207 are adequate to meet the post employment problems and concerns of the executive branch. We note that senior congressional staff members are not included in

the coverage of the House version. *There can be no possible justification for excluding Congressional Staff from coverage of these provisions if enacted should apply uniformly to all branches of government.* As you know we previously expressed the view that these provisions and from existing law.

The provisions of H.R. 5097 retain the proscriptions contained in the current provisions of sections 207(a), (b) and (c). We believe it is important to maintain these prohibitions which deal with the so called "switching sides" and "revolving door" issues.

Implementation of the current language of S. 2334 would result in an anomalous situation where the current provisions of sections 207(a) and (b)(i) would apply only to Executive branch personnel, while the provisions of section 207(b)(ii) would apply to all three branches of Government. Such a result seems to be inconsistent with the expressed purpose of the proposed legislation; that of preventing former employees from influencing representatives of their former employers.

~~We see potential problems in the waiver provisions and feel they are of little value because of their infrequent use and potential for misapplication by virtue of their vague standards. Waiver authority in both the House and Senate versions should be consistent. Authority of Heads of Agencies and Office of Government Ethics should be modified under Section 207(f) to reflect such consistency.~~

I would be pleased to answer any questions for the subcommittee.

# Having said that, I wish to reiterate the Administration's view that this legislation as well as that which was reported by the

Senate Judiciary Comite, is both unnecessary & unwise. The current law is adequate to meet the concerns recently expressed and only needs to be enforced. These bills will dete and people from entering Government service with no offe thing advantage



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

May 14, 1986

MEMORANDUM FOR CHARLES COOPER  
LAWRENCE GARRETT  
RICHARD HAUSER  
ROBERT KIMMITT  
ABRAHAM SOFAER  
✓ JAY STEPHENS

FROM: John H. Carley  
General Counsel, OMB

A handwritten signature in dark ink, appearing to be "JHC", written over the typed name "John H. Carley".

In accordance with my earlier conversations with each of you or your appointments secretary, the meeting to discuss the proposed ethics bill introduced by Senator Thurmond (S.2334) and the development of an Administration position is now scheduled for Friday May 16 at 3 p.m. in Room 248 of the Old Executive Office Building for approximately one hour. For your background, I am enclosing a copy of the proposed legislation. The focus of our meeting, however, will probably be more on what position the Administration should take regarding the general subject and how to develop support for it rather than perceived defects in the bill itself.

Enclosure

99TH CONGRESS  
2D SESSION

# S. 2334

To amend section 207 of title 18, United States Code, to prohibit Members of Congress and officers and employees of any branch of the United States Government from attempting to influence the United States Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

APRIL 17 (legislative day, APRIL 8), 1986

Mr. THURMOND introduced the following bill; which was read twice and referred to the Committee on the Judiciary

---

## A BILL

To amend section 207 of title 18, United States Code, to prohibit Members of Congress and officers and employees of any branch of the United States Government from attempting to influence the United States Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       SECTION 1. SHORT TITLE.

4       This Act may be cited as the "Integrity in Post Em-  
5       ployment Act of 1986".



1 **SEC. 2. DISQUALIFICATION OF FORMER MEMBERS, OFFICERS,**  
2 **AND EMPLOYEES FROM ATTEMPTING TO IN-**  
3 **FLUENCE THE UNITED STATES GOVERNMENT**  
4 **OR REPRESENTING OR ADVISING A FOREIGN**  
5 **ENTITY.**

6 (a) PROHIBITION.—(1) Section 207 of title 18, United  
7 States Code, is amended by striking out subsections (b)  
8 through (e) and inserting in lieu thereof the following:

9 “(b) Whoever, having been a Member of Congress, an  
10 officer or employee of the United States, including a special  
11 Government employee who has served in excess of sixty days  
12 during any period of three hundred and sixty-five consecutive  
13 days, in the executive, legislative, or judicial branch of the  
14 Government, or in any independent agency of the United  
15 States, or an officer or employee of a Government corpora-  
16 tion, Government controlled corporation, or an independent  
17 establishment as defined in section 104 of title 5—

18 “(1) within one year after termination of employ-  
19 ment with the intent to influence makes any oral or  
20 written communication to any Member of Congress, of-  
21 ficer or employee of the United States, including a spe-  
22 cial Government employee, in the executive, legisla-  
23 tive, or judicial branch of the Government, or in any  
24 independent agency of the United States on behalf of  
25 another person (other than the United States) for com-  
26 pensation, financial gain, or other remuneration; or

1           “(2) within two years after termination of employ-  
2           ment—

3                   “(A) is employed by, or advises, represents,  
4                   or assists any foreign entity for compensation, fi-  
5                   nancial gain, or other remuneration; or

6                   “(B) with intent to influence makes any oral  
7                   or written communication to any Member of Con-  
8                   gress, officer or employee of the United States,  
9                   including a special Government employee, in the  
10                  executive, legislative, or judicial branch of the  
11                  Government, or in any independent agency of the  
12                  United States on behalf of any foreign entity for  
13                  compensation, financial gain, or other remunera-  
14                  tion,

15                  shall be fined not more than \$250,000 or imprisoned  
16                  not more than two years, or both.

17                  “(c) Whoever, having been employed in a position listed  
18                  in section 5312 or 5313 of title 5 or under section  
19                  105(a)(2)(A) of title 3, at any time after termination of  
20                  employment—

21                   “(1) is employed by, or advises, represents, or as-  
22                   sists in any way, directly or indirectly, a foreign entity;  
23                   or

24                   “(2) with intent to influence makes any oral or  
25                   written communication to any Member of Congress, of-

*White House  
Office*

*Level 5 & 10*

1        ficer, or employee of the United States, including a  
2        special Government employee, in the executive, legisla-  
3        tive, or judicial branch of the Government, or in any  
4        independent agency of the United States on behalf of  
5        any foreign entity,

6 shall be fined not more than \$250,000 or imprisoned not  
7 more than two years, or both.

8        “(d)(1) The prohibitions of subsections (a) through (c)  
9 shall not apply to a former Member, officer, or employee who  
10 is acting in his official capacity as an elected official of a  
11 Federal, State, or local government.

12        “(2) The prohibition of subsection (b)(1) shall not apply  
13 to an attorney appearing in a judicial proceeding before a  
14 court of the United States.”.

15        (2) Section 207 of title 18, United States Code, is fur-  
16 ther amended—

17            (A) by striking out subsections (h) and (i);

18            (B) in subsection (f) by designating such subsec-  
19 tion as subsection (e) and striking out “subsections (a),  
20 (b), and (c)” and inserting in lieu thereof “subsection  
21 (a)”;

22            (C) by redesignating subsection (g) as subsection  
23 (f);

24            (D) in subsection (j) by redesignating such subsec-  
25 tion as subsection (g) and striking out “subsection (a),



1 (b), or (c)” in the first sentence and inserting in lieu  
2 thereof “subsection (a)”;

3 (E) by inserting at the end thereof the following:

4 “(h) For purposes of this section the term ‘foreign  
5 entity’ means—

6 “(1) a foreign country;

7 “(2) a foreign political party;

8 “(3) a person outside of the United States, unless  
9 it is established that such person is an individual and a  
10 citizen of the United States, or that such person is not  
11 an individual and is organized under or created by the  
12 laws of the United States or of any State or other  
13 place subject to the jurisdiction of the United States  
14 and has its principal place of business within the  
15 United States; or

16 “(4) a partnership, association, corporation, orga-  
17 nization, or other combination of persons organized  
18 under the laws of or having its principal place of busi-  
19 ness in a foreign country.”.

20 (3) Subsection (a) of section 207 of title 18, United  
21 States Code, is amended by striking out “; or” at the end  
22 thereof and inserting in lieu thereof a comma and the  
23 following:

24 “shall be fined not more than \$250,000 or imprisoned not  
25 more than two years, or both.”.

1       **(b) AMENDMENT TO CAPTION.**—(1) Section 207 of title  
2 18, United States Code, is further amended by striking out  
3 the caption for such section and inserting in lieu thereof the  
4 following:

5 “§ 207. Disqualification of former Members and employees and offi-  
6    **cers of any branch of Government from attempting to**  
7    **influence the United States Government or represent-**  
8    **ing or advising a foreign entity”.**

9       (2) The table of sections for chapter 11 of title 18,  
10 United States Code, is amended by striking out the item  
11 relating to section 207 and inserting in lieu thereof the  
12 following:

  “207. Disqualification of former Members and employees and officers of any branch  
  of Government from attempting to influence the United States  
  Government or representing or advising a foreign entity.”.

13 **SEC. 3. EFFECTIVE DATE.**

14       The amendments made by section 2 of this Act shall be  
15 effective upon the date of enactment of this Act.

○



effort to improve public understanding of the need for these changes.

It is now general knowledge that significant savings—financial as well as social—are associated with early intervention through good prenatal programs and preventive care for infants. As most of my colleagues are already aware, numerous studies have shown that an expenditure of \$1 in prenatal services can yield as much as \$12 in savings through reduced costs of intensive neonatal care and the long-term institutional expenditures that often accompany the handicaps associated with premature birth and low birthweight.

As Governor Riley's task force has shown, 10 of the 11 States with the most severe infant mortality rates are in the Southern region of the United States. In the South, it is estimated that one of every 15 mothers is likely to have a child with a discernible mental or physical handicap. While the national average is 6.8 percent, 7.6 percent of all babies born in the Southern States are low in birthweight—which is, of course, closely correlated with high rates of infant mortality, and the incidence of lifelong handicapping conditions.

Technically, S. 2333 assumes that States will be offered the option of extending coverage to those women and infants whose incomes exceed the current eligibility threshold for Medicaid, but who, nevertheless, are below 100 percent of the poverty level. While I am hopeful that we will be able to provide services to this entire population on enactment, it may be necessary to adjust eligibility to comply with final Congressional Budget Office cost estimates. However, if such a change is needed, I hope that members of the Finance Committee will join me in support of implementing this change as quickly as costs allow.

In sum, Mr. President, passage of S. 2333 will permit States to improve access to health care by restructuring eligibility and benefits under the Medicaid program according to local priorities. I invite my colleagues to join with us in support of that goal.

Mr. THURMOND. Mr. President, today my colleagues and I are introducing legislation which represents a major initiative toward reducing the high infant mortality rate of this Nation.

The United States has a higher infant mortality rate than many other developed countries such as Sweden, Japan, Denmark, Norway, France, Spain, Canada, East Germany, and the United Kingdom. Recent statistics indicate that for every 1,000 live births, approximately 11 babies will die before the age of 1 year. In my home State of South Carolina the problem is greater, with 15 deaths for every 1,000 live births.

Mr. President, two-thirds of infant deaths occur in the neonatal period—the first month of life. The factor most commonly associated with these

newborn deaths is low birthweight. The smaller the baby, the poorer the chances of healthy survival. A low birthweight baby is more likely to need costly special care. In addition, low birthweight babies also have significantly higher rates of rehospitalization. To address the problem of low birthweight infants, the Medicaid system needs to be improved. This legislation is designed to accomplish that goal.

Mr. President, Medicaid plays a critical role as the Nation's principal financing source for the health care of mothers and children who are financially unable to help themselves. However, as many as 3.4 million poor pregnant women a year are denied vital prenatal care because they are ineligible for Medicaid. Without proper prenatal care, many unnecessary low birthweight babies are born who need significant ongoing medical attention. This, of course, means additional medical expenses. In many cases, the high medical expenses associated with low birth babies drain the financial resources of the mother until she then becomes eligible for Medicaid. Medicaid then must pick up the tab for the expensive institutional medical treatment.

Mr. President, what is needed, and what this legislation provides, is an approach geared toward preventative medicine. Under this legislation, the Medicaid law would be amended to allow States, with an Aid to Families With Dependent Children (AFDC) standard of need above 50 percent of the Federal poverty level, to target Medicaid assistance to pregnant women and infants, without the State also being required to raise AFDC payments to this group. This action would be completely optional with the States. The idea behind this change is to remove a financial obstacle for many States that want to provide a comprehensive maternity and infant health-care package to indigent women, but have not done so because of the high cost of State matching requirements for AFDC payments.

Mr. President, the cost of this bill will be \$100 million to the Federal Government. This amount has already been added to the Domenici-Chiles budget plan to cover the cost of the expansion, after the Budget Committee gave it careful consideration.

Mr. President, I want to emphasize that these moneys spent now will prove cost-effective over the long run. The American Academy of Pediatrics reported in 1984 that for every dollar spent on prenatal care, \$2 to \$10 can be saved down the road. "An ounce of prevention is worth a pound of cure." This is the approach of this legislation, and I urge my colleagues to support this bill.

By Mr. THURMOND:

S. 2334. A bill to amend section 207 of title 18, United States Code, to prohibit Members of Congress and offi-

cers and employees of any branch of the U.S. Government from attempting to influence the U.S. Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes; to the Committee on the Judiciary.

#### INTEGRITY IN POST EMPLOYMENT ACT

Mr. THURMOND. Mr. President, today, I am introducing tough, new legislation that will restrict all Federal employees from lobbying the Federal Government for 1 year, and from working for a foreign entity for 2 years, after they leave Government service.

This legislation also mandates a complete prohibition on certain high-level Federal officials from ever representing, assisting, advising, or lobbying in behalf of a foreign government or entity.

Mr. President, the potency of this legislation is that it applies to all Federal employees, regardless of rank, grade, or status, and that it mandates criminal penalties for violations—including fines of up to \$250,000 and prison terms of up to 2 years.

It is a proposal whose time has come, and one which seeks to maintain public confidence and integrity in Federal Government service. In its simplest form, it provides a uniform, straightforward, and enforceable way to prevent those who are employed by the Federal Government from leaving public service and marketing their access and influence for private gain. It will also terminate violations of public trust by halting very high-ranking Federal officials, who by the nature of their jobs are privy to some of our Government's most sensitive information about national security and trade, from vending that information to a foreign entity.

There is something very disquieting to me, and I suspect the great majority of Americans, about high-level officials leaving the service of the Federal Government and going to work assisting, advising, lobbying, or in any way representing a foreign power for compensation. The absolute prohibition against this practice would help end the problem of foreign entities gaining knowledge and information, in any way, about such things as our Nation's international trade strategy or defense posture from former officials whose knowledge of those issues could do harm to this country if it is conveyed to others.

The officials affected by a lifelong prohibition would include, among others: Cabinet Secretaries; Director of Central Intelligence Agency; Secretaries of the armed services; U.S. Trade Representative; Director of the Federal Bureau of Investigation; and high-ranking White House officials.

Mr. President, this legislation is a startling place for the Congress to consider much-needed changes to the con-



fusing and oftentimes conflicting laws and regulations now governing former Federal officials who lobby the Federal Government or work for a foreign entity. It is an attempt to restore rationality and effectiveness to the ethics provisions applying to the Federal Government. Toward that end, my bill would apply equally to all branches of the Federal Government and to all Federal employees—including Members of Congress, Government-established corporations, and the military.

The Judiciary Committee has tentatively set a hearing on this bill and other lobbying-related issues on April 29. I look forward to hearing testimony on this issue and to working with my colleagues on this important legislation.

Mr. President, I ask unanimous consent that a copy of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

**S. 2334**

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Integrity in Post Employment Act of 1986".

**SEC. 2. DISQUALIFICATION OF FORMER MEMBERS, OFFICERS, AND EMPLOYEES FROM ATTEMPTING TO INFLUENCE THE UNITED STATES GOVERNMENT OR REPRESENTING OR ADVISING A FOREIGN ENTITY.**

(a) **PROHIBITION.**—(1) Section 207 of title 18, United States Code, is amended by striking out subsections (b) through (e) and inserting in lieu thereof the following:

"(b) Whoever, having been a Member of Congress, an officer or employee of the United States, including a special Government employee who has served in excess of sixty days during any period of three hundred and sixty-five consecutive days, in the executive, legislative, or judicial branch of the Government, or in any independent agency of the United States, or an officer or employee of a Government corporation, Government controlled corporation, or an independent establishment as defined in section 104 of title 5—

"(1) Within one year after termination of employment with the intent to influence makes any oral or written communication to any Member of Congress, officer or employee of the United States, including a special Government employee, in the executive, legislative, or judicial branch of the Government, or in any independent agency of the United States on behalf of another person (other than the United States) for compensation, financial gain, or other remuneration; or

"(2) within two years after termination of employment—

"(A) is employed by, or advises, represents, or assists any foreign entity for compensation, financial gain, or other remuneration; or

"(B) with intent to influence makes any oral or written communication to any Member of Congress, officer or employee of the United States, including a special Government employee, in the executive, legislative, or judicial branch of the Government, or in any independent agency of the United States on behalf of any foreign entity for compensation, financial gain, or other remuneration,

shall be fined not more than \$250,000 or imprisoned not more than two years, or both.

"(c) Whoever, having been employed in a position listed in section 5312 or 5313 of title 5 or under section 105(a)(2)(A) of title 3, at any time after termination of employment—

"(1) is employed by, or advises, represents, or assists in any way, directly or indirectly, a foreign entity; or

"(2) with intent to influence makes any oral or written communication to any Member of Congress, officer, or employee of the United States, including a special Government employee, in the executive, legislative, or judicial branch of the Government, or in any independent agency of the United States on behalf of any foreign entity,

shall be fined not more than \$250,000 or imprisoned not more than two years, or both.

"(d)(1) The prohibitions of subsections (a) through (c) shall not apply to a former Member, officer, or employee who is acting in his official capacity as an elected official of a Federal, State, or local government.

"(2) The prohibition of subsection (b)(1) shall not apply to an attorney appearing in a judicial proceeding before a court of the United States."

(2) Section 207 of title 18, United States Code, is further amended—

(A) by striking out subsections (h) and (i);

(B) in subsection (f) by designating such subsection as subsection (e) and striking out "subsections (a), (b), and (e)" and inserting in lieu thereof "subsection (a)";

(C) by redesignating subsection (g) as subsection (f);

(D) in subsection (j) by redesignating such subsection as subsection (g) and striking out "subsection (a), (b), or (c)" in the first sentence and inserting in lieu thereof "subsection (a)"; and

(E) by inserting at the end thereof the following:

"(h) For purposes of this section the term 'foreign entity' means—

"(1) a foreign country;

"(2) a foreign political party;

"(3) a person outside of the United States, unless it is established that such person is an individual and a citizen of the United States, or that such person is not an individual and is organized under or created by the laws of the United States or of any State or other place subject to the jurisdiction of the United States and has its principal place of business within the United States; or

"(4) a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country."

(3) Subsection (a) of section 207 of title 18, United States Code, is amended by striking out "; or" at the end thereof and inserting in lieu thereof a comma and the following: "shall be fined not more than \$250,000 or imprisoned not more than two years, or both."

(b) **AMENDMENT TO CAPTION.**—(1) Section 207 of title 18, United States Code, is further amended by striking out the caption for such section and inserting in lieu thereof the following:

"§ 207. Disqualification of former Members and employees and officers of any branch of Government from attempting to influence the United States Government or representing or advising a foreign entity."

(2) The table of sections for chapter 11 of title 18, United States Code, is amended by striking out the item relating to section 207 and inserting in lieu thereof the following:

"207. Disqualification of former Members and employees and officers of any branch of Government from attempting to influence

the United States Government or representing or advising a foreign entity."

**SEC. 3. EFFECTIVE DATE.**

The amendments made by section 2 of this Act shall be effective upon the date of enactment of this Act.

By Mr. ABDNOR (for himself, Mr. BURDICK, and Mr. PRES- SLER):

**S. 2336.** A bill to protect United States cattlemen from imports of live Canadian cattle, and to require the International Trade Commission to conduct a section 201 investigation of such imports; to the Committee on Finance.

**MORATORIUM ON BEEF IMPORTS FROM CANADA**

Mr. ABDNOR. Mr. President, cattlemen in my home State of South Dakota and all across the United States have been suffering from years of economic stress. High interest rates, natural disasters, and imports of live cattle have left cattlemen without a profit and many are on the verge of bankruptcy.

Let me remind my colleagues that the American cowboy is a noble man who generally believes that little or no Government involvement in his industry is good. Ranchers do not derive any benefits from Federal farm programs and they don't want any. They haven't asked for handouts; instead, they are just asking for a fair shake.

Unfortunately, cattlemen haven't been getting a fair shake. Imports of live cattle have been streaming across our borders. Some of this beef is subsidized and unfairly undercuts in price the healthy, wholesome beef produced by American cattlemen. And while all beef entering the American market possibly isn't subsidized, this beef enjoys a de facto subsidy due to the high value of the U.S. dollar which allows foreign beef to be priced 20 to 30 percent below U.S. beef.

Of major concern to America's cattle industry is beef being imported from Canada. Canadian cattle have been pouring across our northern border. In my home State of South Dakota, semi-truck loads of live cattle arrive every day. The reason for this glut of Canadian cattle on United States markets is threefold. First, it is the result of an over-valued U.S. dollar. Canadian beef producers enjoy an effective 20 percent or more subsidy in today's market. Second, imports of Canadian cattle are the result of provincial and national beef stabilization programs which give Canadian producers an unfair competitive advantage. Canada's National Beef Stabilization Program as well as provincial programs injure United States producers since our cattlemen do not benefit from such programs. Third, the herds of Canadian cattle on United States markets are the result of Canada's import policies which result in backdoor brokering. Backdoor brokering results when domestic beef in Canada is displaced by imports and when that do-