

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 034 - FOLDER -005

[07/08/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUL-1998 09:35:22.00

SUBJECT: Use this version--Updated WR Accomplishments

TO: edahl (edahl @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Joanne.Whitman (Joanne.Whitman @ npr.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: dana.colarulli (dana.colarulli @ sba.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: corine.hegland (corine.hegland @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Paul_A. Leonard (Paul_A. Leonard @ HUD.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Jlombard (Jlombard @ acf.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jack A. Smalligan (CN=Jack A. Smalligan/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Anil Kakani (CN=Anil Kakani/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Thomas M. Rosshirt (CN=Thomas M. Rosshirt/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: susan.valaskovic (susan.valaskovic @ npr.gsa.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: William H. White Jr. (CN=William H. White Jr./OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Julie.Anderson (Julie.Anderson @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: linda.lawson (linda.lawson @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: mkharfen (mkharfen @ acf.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Joseph C. Fanaroff (CN=Joseph C. Fanaroff/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maureen H. Walsh (CN=Maureen H. Walsh/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Kelly Skoloda (CN=Kelly Skoloda/OU=OA/O=EOP @ EOP [OA])
READ:UNKNOWN

TO: Robin J. Bachman (CN=Robin J. Bachman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lee Ann Brackett (CN=Lee Ann Brackett/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Latest version--includes new teen pregnancy data, federal hiring numbers,
and changes to last bullet on food stamps to reflect Ag Research
amendments. Chandler/Kelly, please post to web site. Thanks

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D58]MAIL47528388M.126 to ASCII,
The following is a HEX DUMP:

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CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The latest caseload numbers, announced May 27th, show that welfare caseloads fell by 5.2 million since President Clinton took office and 3.3 million since he signed the welfare reform law. The new figures, from March 1998, show 8.9 million people on welfare, a drop of more than 37 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

MOVING PEOPLE FROM WELFARE TO WORK

- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership has grown to 5,000 businesses within one year. In 1997 these businesses hired 135,000 welfare recipients and the President has challenged them to double their efforts to 270,000 in 1998. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number, a web site, a "Blueprint for Business" manual, and a new report called The Road to Retention on businesses whose retention rates for former welfare recipients are higher than the retention rates for other new hires.
- **Connecting Small Businesses with New Workers:** The Small Business Administration is reaching out to small businesses throughout the country to help them connect with job-ready welfare recipients. In addition, SBA assists welfare recipients who wish to start their own businesses.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition focuses on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, **the federal government has hired over 5,000 welfare recipients, 48 percent of its planned hires.** As a part of this effort, the White House pledged to hire six welfare recipients and has already exceeded this goal.
- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients, and certain non-custodial parents, into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects. The

President announced the first round of 49 innovative competitive grants on May 27th.

- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits through April 2000.
- **Welfare-to-Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare-to-Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. **Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes.** To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. The Transportation Equity Act for the 21st Century (TEA-21), which the President signed on June 9th, authorizes \$750 million over five years for the President's initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers.

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 68% Increase in Collections:** The Clinton Administration collected a record \$13.4 billion in child support in 1997 through tougher enforcement, an increase of \$5.4 billion, or 68% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. In addition, a new collection system proposed by the President in 1994 and enacted as part of the 1996 welfare reform law located one million delinquent parents in its first nine months of operation. This National Directory of New Hires helps track parents across state lines by enabling child support officials to match records of delinquent parents with wage records from throughout the nation.

Approximately one-third of all child support cases involve parents living in different states. In June 1998, the President signed the Deadbeat Parents Punishment Act, a law based on his 1996 proposal for tougher penalties for parents who repeatedly fail to support children living in another state or who flee across state lines to avoid supporting them. This new law creates two new felonies, with penalties of up to two years in prison, for egregious child support evaders who travel across state or country lines to evade child support obligations, or who have an unpaid obligation to a child living in another state that is more than \$10,000 or has remained unpaid for more than two years.

Increasing Parental Responsibility: The President's unprecedented and sustained campaign to ensure parents financially support their children is working. Paternity establishment, often the crucial first step in child support cases, has dramatically increased, due in large part to the in-hospital voluntary paternity establishment program begun in 1994 by the Clinton Administration. In 1997, the number of paternities established or acknowledged rose to a record 1.3 million, two and a half times the 1992 figure of 512,000. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries, and taking steps to deny Federal loans to any delinquent parents. The welfare reform law contains tough child support measures that President Clinton has long supported including: the national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies, including working with boys and young men on pregnancy prevention strategies. In 1997, the President announced the National Strategy to Prevent Teen Pregnancy, mandated in the welfare reform law. It reported that HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996. And, teen pregnancy rates have decreased significantly from 1992-1995 in each of the 42 states that report data to Centers for Disease Control.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. In 1998, the President continues to reverse unfair cuts in benefits to legal immigrants.

- **Restoring Food Stamp Benefits for Legal Immigrants:** In June 1998, the President signed the Agricultural Research Act into law, which restores food stamp benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lawfully resided in the U.S. as of August 22, 1996 and lost assistance as a result of cuts in the 1996 welfare law that had nothing to do with welfare reform. It restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship. This law funds a significant part of the President's 1999 budget proposal to restore food stamp benefits to 730,000 legal immigrants, but the President's budget proposal would go further by covering families with children regardless of the date they entered the U.S. This restoration builds on the President's success last year in restoring SSI and Medicaid to 420,000 legal immigrants whose benefits were also terminated in welfare reform (see below).
- **Protects Legal Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants whose benefits were also terminated in welfare reform. This law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Protects Children by Keeping the Medicaid Guarantee:** The BBA preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.
- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act (BBA), as amended by the Agricultural Research Act, also restored \$1.3 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The BBA provided funds for work slots and food stamp benefits to help those who are willing to work but, through no fault of their own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would

otherwise be denied benefits as a result of the "3 in 36" limit.

7/08/98

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUL-1998 09:18:39.00

SUBJECT: Today's Crime Meeting (cancelled)

TO: Leslie Bernstein (CN=Leslie Bernstein/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emory L. Mayfield (CN=Emory L. Mayfield/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jon P. Jennings (CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: BEIER_D (BEIER_D @ A1 @ CD @ VAXGTWY [UNKNOWN]) (VPO)
READ:UNKNOWN

TO: BACHMAN_R (BACHMAN_R @ A1 @ CD @ LNGTWY [UNKNOWN]) (WHO)
READ:UNKNOWN

TO: BLANCHARD_C (BLANCHARD_C @ A1 @ CD @ LNGTWY [UNKNOWN]) (DON)
READ:UNKNOWN

TO: HYLAND_K (HYLAND_K @ A1 @ CD @ LNGTWY [UNKNOWN])
READ:UNKNOWN

TO: Jennifer Brown (CN=Jennifer Brown/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

TO: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Anne E. McGuire (CN=Anne E. McGuire/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: David J. Haun (CN=David J. Haun/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: James Boden (CN=James Boden/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Fred DuVal (CN=Fred DuVal/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lisa M. Brown (CN=Lisa M. Brown/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: NARAYA_S (NARAYA_S @ A1 @ CD @ VAXGTWY [UNKNOWN]) (VPO)
READ:UNKNOWN

TO: LEHANE_C (LEHANE_C @ A1 @ CD @ VAXGTWY [UNKNOWN]) (VPO)
READ:UNKNOWN

TO: GALLEGOS_S (GALLEGOS_S @ A1 @ CD @ LNGTWY [UNKNOWN])
READ:UNKNOWN

TO: NELSON_J (NELSON_J @ A1 @ CD @ LNGTWY [UNKNOWN])
READ:UNKNOWN

TO: SANDER_T (SANDER_T @ A1 @ CD @ LNGTWY [UNKNOWN]) (VPO)
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christine A. Stanek (CN=Christine A. Stanek/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Karen A. Popp (CN=Karen A. Popp/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Peter G. Jacoby (CN=Peter G. Jacoby/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Teresa L. Collins (CN=Teresa L. Collins/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

The Weekly Crime Meeting scheduled today at 10:00 AM in room 211, has been cancelled.

Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Janelle E. Erickson (CN=Janelle E. Erickson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JUL-1998 14:07:11.00

SUBJECT: RU-486 Conf Call Thursday 7-9, 12:15 PM

TO: Cynthia Dailard (CN=Cynthia Dailard/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Martha Foley (CN=Martha Foley/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Linda Ricci (CN=Linda Ricci/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Tel numbers 66755 / 66766 code 5722

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUL-1998 11:11:01.00

SUBJECT: Privacy memo

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP.[WHO])
READ:UNKNOWN

TEXT:

There is a deputies meeting on privacy today at 1 p.m. in Room 180. Below is the longer memo. I have also faxed it over to you. Here is the prepared summary of the topics to be discussed:

Summary of policy options

1. Privacy entity: Designate a White House policy council or OMB to increase coordination on privacy issues.
2. Online privacy: Continue to press for industry self-regulation - with the option for a legislative solution if self-regulation proves to be inadequate.
3. Privacy dialogue with state and local governments: Initiate a privacy dialogue with state and local governments about the privacy of personal information collected by governments. Discussion could include: state privacy laws, use of Social Security numbers, impact of new technology on definition of public records.
4. Public education: Work with the private sector and non-profits to develop an advertising campaign to inform individuals about how to exercise choice with respect to the collection and dissemination of their personally identifiable information.

Areas of particular sensitivity

1. Information about children: Call for legislation that would specify a set of fair information principles applicable to the collection of data from children (e.g. no collection of data from children under 13 without prior parental consent).
2. Medical records: Call for legislation on privacy of medical records consistent with HHS report.
3. Financial records:
 - Call for amendments to Fair Credit Reporting Act to limit the affiliate sharing exception. Businesses could share consumer information for marketing purposes, but not for business decisions. For

example, consumer information provided to an insurance affiliate could not be used to deny a person a loan without FCRA protection.

- Authorize the Fed to write enforceable rules on inter-affiliate information sharing.

- Determine whether Justice and FTC have adequate jurisdiction and penalties to punish theft of personal financial information.

4. Profiling: Call for legislation that would give the FTC the authority to require [profilers] to comply with a set of fair information practices. Profilers are in the business of compiling and distributing electronic dossiers on individually identifiable consumers.

5. Identity theft

- Endorse Kyl bill on identity theft, provided it addresses concerns of Treasury and Justice.

6. Social Security Numbers: Conduct a study that looks backward to discern [lessons learned] from social security experience and looks forward to avoid the same result with respect to new identification technologies (e.g. biometrics).

----- Forwarded by Mary L. Smith/OPD/EOP on 07/08/98
11:06 AM -----

Thomas A. Kalil
07/08/98 10:49:31 AM
Record Type: Record

To: Mary L. Smith/OPD/EOP
cc:
Subject: Privacy memo

It's at 1 p.m. in Room 180. Attached is a cover memo plus more detailed memo from Commerce.

----- Forwarded by Thomas A. Kalil/OPD/EOP on 07/08/98 10:52
AM -----

DFriedkin @ doc.gov
07/07/98 03:37:00 PM
Record Type: Record

To: Thomas A. Kalil
cc:
Subject: Privacy memo

Attached is the memo. Sorry it took so long. Andy would like Sally to

know that he would like to keep the SSN section on the table for discussion. You will note that we changed the focus to include biometric identifiers.

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D6]MAIL474644886.126 to ASCII,
The following is a HEX DUMP:

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EB0DE642B1B7F2F19627E6216F7D35C5D3CCE5EDFD993FFFE056EE4CC5830F6571690FF950635A

July 7, 1998

MEMORANDUM FOR NEC/DPC DEPUTIES

FROM: Sally Katzen, Tom Kalil

RE: July 8th Deputies meeting on privacy

Attached is a paper on a set of policy options to address privacy issues that has been prepared by the NEC/DPC Working Group on Privacy. This package is designed to:

- Address “cross-cutting” issues that affect a range of privacy concerns (privacy entity, privacy online, dialogue with state and local government, and public education);
- Target sectors or users that are particularly sensitive (children, medical records, financial records, profiling, identity theft, social security numbers);
- Address both “offline” and “online” privacy;
- Encourage self-regulation where possible and identify the need for legislation where necessary; and
- Maintain a balanced approach that recognizes the values associated with the free flow of information and with giving individuals greater control over their personally identifiable information.

We would like to use the meeting tomorrow to determine where we have consensus and where there may be areas of disagreement. It is our intent to schedule a Principals meeting on privacy as soon as possible.

Summary of policy options

Cross-cutting

1. **Privacy entity:** Designate a White House policy council or OMB to increase coordination on privacy issues.
2. **Online privacy:** Continue to press for industry self-regulation - with the option for a legislative solution if self-regulation proves to be inadequate.

3. **Privacy dialogue with state and local governments:** Initiate a “privacy dialogue” with state and local governments about the privacy of personal information collected by governments. Discussion could include: state privacy laws, use of Social Security numbers, impact of new technology on definition of “public records.”
4. **Public education:** Work with the private sector and non-profits to develop an advertising campaign to inform individuals about how to exercise choice with respect to the collection and dissemination of their personally identifiable information.

Areas of particular sensitivity

1. **Information about children:** Call for legislation that would specify a set of fair information principles applicable to the collection of data from children (e.g. no collection of data from children under 13 without prior parental consent).
2. **Medical records:** Call for legislation on privacy of medical records consistent with HHS report.
3. **Financial records:**
 - Call for amendments to Fair Credit Reporting Act to limit the “affiliate sharing exception.” Businesses could share consumer information for marketing purposes, but not for business decisions. For example, consumer information provided to an insurance affiliate could not be used to deny a person a loan without FCRA protection.
 - Authorize the Fed to write enforceable rules on inter-affiliate information sharing.
 - Determine whether Justice and FTC have adequate jurisdiction and penalties to punish theft of personal financial information.
4. **Profiling:** Call for legislation that would give the FTC the authority to require “profilers” to comply with a set of fair information practices. Profilers are in the business of compiling and distributing electronic dossiers on individually identifiable consumers.
5. **Identity theft**
 - Endorse Kyl bill on identity theft, provided it addresses concerns of Treasury and Justice.
6. **Social Security Numbers:** Conduct a study that looks backward to discern “lessons learned” from social security experience and looks forward to avoid the same result with respect to new identification technologies (e.g. biometrics).

MEMORANDUM

TO: Sally Katzen
FROM: Andrew Pincus
DATE: July 7, 1998
RE: Privacy – Legislative and Other Options

This memorandum outlines a series of Administration proposals for enhancing privacy protection by acting in the following areas:

- Creation of a Federal Privacy Entity
- Medical Records
- Profiling
- On-line Information About Children
- Government Information
- Credit Reporting
- Financial Industry
- Identity Theft
- Theft of Personal Information
- Public Education
- Social Security Numbers
- Commercial Marketing

CREATION OF A FEDERAL PRIVACY ENTITY

New technologies have made it easier to create, manipulate, store, transmit, and link digital personally identifiable information. Many Americans believe that they have lost all control over how personal information about them is circulated and used by companies. We can expect that these issues will become more important and prominent with the advent of new technologies such as the Internet, electronic commerce, and data mining.

Privacy concerns often, however, have to be accommodated with competing values - such as prevention of crime, prosecution of criminals, cracking down on "deadbeat parents," free expression, an investigatory press, and the economic and commercial benefits that come from the free flow of information.

Attempting to centralize privacy policy development within the Administration would not make any sense. Inevitably, many agencies will have to deal with some aspect of privacy policy -- Education on student records, HHS on medical records, Transportation on Intelligent Transportation Systems, etc.

There is, however, an increased need for coordination across agency lines, precisely because privacy is a cross-cutting issue. This would be particularly helpful in the following four areas:

- *Representational* - Better explain and promote the Administration's privacy policy domestically and internationally. Currently, the United States is not represented in many important international fora on privacy.
- *Consumer Information* - Increase public awareness of privacy issues and the rights and responsibilities of consumers, industry, and government. Use the "bully pulpit" to encourage best practices and criticize bad actors.
- *Advisory* - Provide/coordinate advice on privacy policy questions to government agencies and the private sector.
- *Coordination* - Ensure that agencies are addressing emerging privacy issues, and ensure greater consistency of Administration positions and policies.

Option

The Administration could create a Federal privacy entity located in the Executive Office of the President.

There are advantages and disadvantages to putting it in OMB, making it a new White House office, or putting it under one of the existing White House policy councils. Since shaping privacy policy requires accommodating different interests, it would be better if it were located in

an office that had other responsibilities. Having an office that saw itself *exclusively* as a "privacy advocate" would be counter-productive.

The entity should have a small staff -- since the intent is to have it play a coordinating role as opposed to an operational role.

HEALTH INFORMATION

The confidentiality of health information is a matter of widespread national concern, and the protection of this information has been a priority of the Administration. On September 11, 1997, Secretary of Health and Human Services Donna Shalala recommended that Congress enact Federal legislation to protect the confidentiality of health information by imposing duties on those who hold such information and providing rights to the subjects of the information. She proposed that the Federal law provide a floor of protection, and that States be permitted to, in addition, provide stronger protections.

Under the recommended legislation, health care providers, those who pay for health care, and those who get information from those entities would have to permit patients to see their own records, to keep records of disclosures and let patients know who has seen their records, and to permit patients to file proposals for correction of erroneous records. All entities collecting or maintaining information would have to advise patients clearly of their confidentiality practices and of the patients' rights.

Disclosures would be limited to those authorized by the patient, or those specifically permitted in the legislation, including disclosures for important public purposes, such as treatment and payment, research, public health, oversight of the health care system, and use in law enforcement or other legal proceedings if permitted by other law. There would be strict limitations on further disclosure in many of these instances. Within an organization, information could be used only for purposes reasonably related to the purposes for which it was gathered, and all disclosures would have to be limited to the minimum necessary to accomplish the purpose of the disclosure.

Entities receiving information pursuant to patient authorization would have to give patients a statement of their intended use of the information, and would be civilly liable for uses in violation of that statement.

There would be civil and criminal sanctions for violations, such as improper disclosure and obtaining information under false pretenses.

Congress is now considering the recommendations.

PROFILING

Commercial “profilers” build dossiers about individuals by aggregating information from a variety of database sources, including public and non-public records. Individual reference services, sometimes called look-up services, represent a sub-set of the profiling industry. These services provide information that assists users in identifying individuals, locating individuals, and verifying identities.

Best Practices Model – Individual Reference Services Group

On December 17, 1997, a group of 14 Individual Reference Services (the Individual Reference Services Group, IRSG) entered into an agreement on privacy practices with the Federal Trade Commission. The IRSG program is based on compliance with certain principles, including notice, disclosure, choice, security, and public education. IRSG members agreed to acquire personal information only from reputable sources, to take reasonable steps to assure that data collected is accurate, complete and timely for the purpose for which it will be used, to correct non-public records when appropriate, and to limit distribution of non-public information to subscribers with appropriate intended uses.

The IRSG committed to implement a rigorous enforcement compliance method. The enforcement program has two prongs. First, signatories’ practices are subject to review by a “reasonably qualified independent professional service.” On the basis of established criteria, that entity determines whether a signatory is in compliance with IRSG principles. The results of the annual review are made public. Second, signatories who are information suppliers may not sell information to look-up services that do not comply with the IRSG principles.

The IRSG members agreed to provide individuals with access to information contained in services and products that specifically identify them, unless the information comes from a public record, in which case the companies will provide the individuals with guidance on how they can obtain the information from the original source. FTC staff strongly disagreed with the access provisions of the IRSG practices, and the Commission and IRSG agreed to allow 18 months before revisiting the access issue. On the basis of the IRSG program and the commitment to review access issues, the FTC advised the Congress that legislation on individual reference services was premature.

Legislative Option

The Administration could embrace the IRSG approach and apply it more broadly by supporting legislation giving the FTC authority under Section 5 of the FTC Act to require those in the business of compiling and distributing (or re-using for marketing purposes) electronic dossiers on individually identifiable consumers to comply with a specified set of fair information practices. The grant of authority to the FTC could include a “safe harbor” provision -- profilers

who belong to a self-regulatory organization operating in accordance with practices approved by the FTC would be presumed to be in compliance with the Federal Trade Commission Act.

ON-LINE INFORMATION ABOUT CHILDREN

The solicitation of information from children presents a unique problem. Unlike adults, children generally lack the ability to provide legally binding consent and may not be cognitively capable of understanding the consequences of giving out personally identifiable information online. Many companies presently collect information from children for a variety of reasons -- to contact a child to verify that they may have won a prize, to monitor children in chat rooms, for statistical purposes or for direct marketing purposes.

On June 4, 1998, the Federal Trade Commission released a report to Congress, *Privacy Online*, which surveyed 1,400 Web sites. Eighty-nine percent of children's sites surveyed collect personal information from children. Although 54% of children's sites provide some form of disclosure of their information practices, the Commission found that few sites take any

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At the same time, legislation to criminalize identity theft must be carefully crafted to avoid problems that could arise from the federalization of a large new class of crimes.

Senator Kyl is in the process of marking up S. 512, the Identity Theft and Assumption Deterrence Act of 1997. After raising initial technical concerns about this bill, Departments of Treasury and Justice have worked to provide amendments (to be considered during markup) that would address any outstanding concerns.

Recommendation

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steps to provide for meaningful parental involvement in the process. They found that only 23% of sites even direct children to seek parental permission before providing personal information. Only 7% of the sites said they would notify parents of their information practices, and less than 10 % provide for parental control over the collection and/or use of information from children. The Commission recommended that Congress adopt legislation protecting children's privacy online.

Best Practices Model – Online Privacy Alliance

On June 22, 1998 the Online Privacy Alliance issued specific guidelines for the protection of children's' privacy online.

Alliance members that operate sites directed at children under 13 have agreed (1) not to collect online contact information from a child under 13 without prior parental consent or direct parental notification of the nature and intended use of this information, including an option for the parent to prevent the use of the information and participation in the activity; (2) to assure that information collected will only be used to directly respond to the child's request and will not be

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used to recontact the child for other purposes without prior parental consent; (3) not to collect individually identifiable offline contact information from children under 13 without prior parental consent; (4) not to distribute to third parties any personally identifiable information collected from a child under 13 without prior parental consent; (5) not to give children under 13 the ability to post or otherwise distribute individually identifiable contact information without prior parental consent – sites directed to children under 13 must take best efforts to prohibit a child from posting contact information; and (6) not to entice a child under 13 by the prospect of a special game, prize or other activity, to divulge more information than is needed to participate in that activity.

Legislative Option

The Administration has endorsed the FTC call for legislation with respect to children's privacy online. The Administration could call for legislation that would specify a set of fair information practices applicable to the collection of data from children and give the FTC authority to promulgate rules based on such standards. The grant of authority to the FTC could include a safe harbor provision – data collectors who belong to a self regulatory organization

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operating in accordance with practices approved by the FTC for the collection of data from children would be presumed to be in compliance with the Federal Trade Commission Act.

RELEASE OF GOVERNMENT INFORMATION

Public records are a rich store of personal information. Federal, state and local governments require individuals to provide various types of information and are usually required to make such records available for public inspection. Public records include, but are not limited to real property records, marriage and divorce records, birth and death certificates, driving records, driver's licences, vehicle titles and registrations, civil and criminal court records, parole records, postal service change-of-address records, voter registration records, bankruptcy and lien records, incorporation records, worker's compensation claims, political contributions records, firearm permits, occupational and recreational licenses, filings pursuant to the Uniform Commercial Code and filings with the Securities and Exchange Commission.

These public records contain extensive and detailed information (e.g., race, gender, Social

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Security numbers, addresses, dates of birth, marriage, and divorce.) Social Security numbers, for example, are available from the records kept by dozens of government entities, such as motor vehicle bureaus -- many driver's license records make the individual's SSN, as well as their name, address, height, weight, eye color, gender, and date of birth available in one place. Dates of birth may be available from birth certificate and voter registration records, and land records typically include dates of sales, prices, size of mortgage amounts, and the property address and description, as well as the seller's and purchaser's names.

The U.S. Privacy Act, 5 U.S.C. Section 552a (1988) protects individuals from non-consensual government disclosure of confidential information. The Memorandum for Heads of Executive Departments and Agencies, signed by the President on May 14, 1998, directs agency heads to take specific action to assure that use of new information technologies sustain privacy protections provided by applicable statutes and that the information is handled in full compliance with the Privacy Act.

While the U.S. Privacy Act restricts the disclosure of personal information collected and maintained by the Federal government, many States do not have analogous privacy laws. Not

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only is the protection of information collected and maintained by State governments governed by an uneven patchwork of laws, but State freedom of information and public record laws, enacted before powerful information technology made collection and dissemination of information easy and efficient, allow many States to sell personal information.

Issues around the collection, sharing and sale of personal information gathered by States are complicated by requirements under Federal law that States collect and provide certain information to the Federal government. These laws include transfer of information for tax purposes, to locate parents delinquent in their child support payments, and to determine food stamp and welfare eligibility.

Any effort to restrict State collection and sharing of personal information will raise significant federalism questions. For example, two states have successfully challenged the Drivers Privacy Protection Act on federalism grounds.

The Administration has already begun to address the issue of sharing of data by Federal agencies with State, local, and tribal governments in the President's Memorandum to Heads of

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Executive Departments and Agencies, signed on May 14, 1998.

Option

The Administration could create a Federal-State Task Force to initiate a "privacy dialogue" to analyze the privacy of personal information collected by governments. The dialogue could include a study of the State laws that require the collection of personal information and the Federal laws that require States to collect personal information and consider the desirability of:

1. State enactment of laws similar to the Privacy Act.
2. Extension of the Privacy Act protections to Social Security numbers collected by State governments.
3. Re-evaluation of the meaning of "public records" in light of new technology.
4. A requirement that States redact Social Security numbers and other personally

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identifiable information from documents before they are placed in the public domain.

5. An Executive Memorandum to public schools reiterating obligations imposed by the Family Educational Rights and Privacy Act of 1974 under which public schools that accept federal funds are prohibited from disclosing a student's Social Security number and personal information without the student's request.
6. An Executive Memorandum to State attorneys general reiterating obligations imposed by §7 of the Privacy Act with regard to the protections afforded the collection of Social Security numbers and the requisite notice requirements.

CREDIT REPORTING

The Fair Credit Reporting Act (FCRA) governs activities of agencies that furnish credit reports to third parties. The FCRA defines a credit reporting agency as a person or entity that regularly assembles or evaluates consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties to be used as a factor in

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establishing the consumer's eligibility for credits, insurance, employment purposes, etc.

Companies that share consumer information with their affiliates are not subject to the controls of the FCRA. Based on the above definitions, these companies are not considered "credit reporting agencies" because they are not providing the reports to a third party, but rather to themselves. Additionally, the information shared is not considered a "credit report" because the information is not compiled by a "credit reporting agency." The FCRA, moreover, specifically excludes affiliate sharing from the definition of "credit report."

The exclusion of affiliate sharing from the credit report definition and further regulation by the FCRA was debated during the 1996 Amendments to the FCRA. The FTC strongly argued that consumer information shared by affiliates should be subject to the protections of the FCRA. The banking industry argued the opposite. The banking industry won; the FCRA specifically excludes the information shared by affiliates from the definition of consumer report.

The recent increase in cross-industry corporate mergers raise important privacy concerns with regard to the treatment of consumer information shared by affiliated companies. Such mergers

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may allow detailed and sometimes sensitive information about consumers, including medical and financial data, to be shared among newly related companies with relatively few restrictions. In the case of the recent merger of Citicorp and Travelers, for example, consumers might not anticipate that providing information for insurance underwriting purposes to one entity might later be used by the financial institution that is or becomes an affiliate.

Legislative Options

a. The Administration could call for legislation repealing the FCRA provisions that exempt affiliate sharing from the protections of the FCRA. Given the intensity of the debate on this issue during the negotiations over the 1996 Amendments and the banking industry's current opposition to this issue, this proposal may be extremely difficult to effectuate. The FTC would probably, however, support repeal of the affiliate sharing exemption.

b. The Administration could support amendments to the FCRA to limit the affiliate sharing exception for marketing purposes only and expand the protections of the FCRA to cover consumer information shared with affiliates when making business decisions. For example,

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businesses could share consumer information among affiliates in connection with a marketing campaign, but consumer information provided for insurance underwriting purposes to one entity could not be used by another entity to deny a person a loan without the protections of the FCRA implicated. This proposal may appease the banking industry, which uses the information mainly for marketing purposes, while still protecting the consumers. The FTC probably would support such action.

Study Option

As more databases are available directly to companies, and companies themselves share information directly, there is some concern that the FCRA may become outdated and obsolete. Companies, for example, will no longer purchase credit reports from a central bureau, but rather will obtain information directly from the individual sources and create their own internal credit reports. In the absence of traditional credit reporting agencies, the protections of the FCRA would evaporate. The Administration could undertake a study to determine whether the FCRA contains the protections needed in the electronic age.

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FINANCIAL INDUSTRY

On June 12, 1998, the Acting Comptroller of the Currency announced that she directed the Office of the Comptroller of the Currency's (OCC) Privacy Working group to develop guidance for national banks addressing a number of consumer privacy issues, including web site disclosures of bank privacy policies, sharing of consumer information, customer information security and the problem of identity theft.

Sharing of Confidential Information with Third Parties (e.g. Direct Marketers)

Financial services firms represent that they do not generally share confidential customer information with third parties (except service providers). Privacy advocates have not contradicted this assertion. Financial firms have three primary reasons for retaining this information: (1) the most likely purchasers of such information are the firm's competitors; (2) financial firms fear that their customers would react badly if they learned that their information was being sold; and (3) sale of such information is generally prohibited by State common law

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(i.e., the financial institution, acting as the agent of the customer, owes the customer a fiduciary duty and is prohibited from misusing information obtained from the customer in connection with the agency).

The NASD-R recently proposed a new confidentiality rule for securities firms.

In the area of direct marketing by the financial institution itself, the FCRA requires that customers of financial institutions be allowed to opt out of receiving pre-approved offers of credit cards or other credit. NASD and the FTC rules restrict the ability of securities brokers to cold call customers by, among other things, requiring the maintenance of "do-not-call" lists.

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Recommendation

Option

Conduct a study to determine exactly what the financial services industry's practices are in this area.

Sharing of Information with Affiliated Companies

Each of the nations' largest 25 banks has a securities affiliate, and banks of all sizes sell insurance. Affiliate information sharing already includes not only sharing of information for marketing purposes (e.g., a credit card bank soliciting an affiliate broker-dealer's best customers for a new platinum card) but also for security purposes (e.g., tracking a credit card holder's spending patterns in order to detect immediately any unusual activity that might indicate fraud or theft) and increasingly for risk-management purposes (e.g., a customer's record of payment on a credit card apparently is quite useful in determining whether that customer is a good risk for auto insurance). Such practices can be expected to continue, as the lines between various types of financial services firms continue to blur and the firms continue to merge.

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Recommendation

Under the 1996 Amendments to the FCRA, customers have an explicit right to opt out of affiliate information sharing of personal information other than “experience” or “transactional” information (which may be shared not only with affiliates but also third parties). For example, a customer can prevent personal information contained in an account application from being shared. As a result, customers can generally avoid use of their confidential information for marketing purposes but not for fraud prevention or risk management purposes. This limited right was also brokered as part of the 1996 Amendments to the FCRA.

The FCRA also contains an odd provision prohibiting the banking agencies from examining for compliance with the Act; rather, they must await a complaint or other indication of trouble. The banking regulatory agencies also are prevented from issuing regulations under the Act, but the Federal Reserve may promulgate “interpretative” opinions in consultation with the other agencies. These provisions were included in 1996 because of banking industry concerns about regulatory burden, as part of the delicate compromise that moved the bill forward.

The Fed expects to issue an interpretation sometime this summer which likely would clarify what information can be shared with affiliates and how specific opt out notices should be.

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Options

a. Authorize the Fed, in consultation with the other banking agencies, to write enforceable rules in this area. Alternatively, give this authority to each of the agencies, to be exercised jointly.

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b. Consider eliminating the restriction on examinations. We may wish to talk to privacy groups next week to see whether this step, which would certainly anger the banking industry, would achieve greater protection for consumers.

Note: Consultations with those on the Hill should precede any action in this area, as they may not wish to revisit the compromise that it took them years to reach in 1996.

Study Option

The Administration could review whether the regulatory review process for mergers should include a consumer protection analysis. For example, in addition to Justice Department review of a proposed commercial merger, the regulating agency could review the proposed merger to determine whether the merger negatively affects consumers' privacy.

On-Line Disclosures

Large banks generally have adopted the privacy principles promulgated by the banking trade

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groups and have posted these or similar privacy policies on their web sites, while smaller banks have been slower to do so.

The Comptroller of the Currency has announced that it will consider promulgating voluntary guidelines for national banks to use in constructing web sites, and the FDIC's E-banking Task Force is surveying web sites of FDIC-insured institutions to confirm, based on a larger survey group, whether the results of the FTC survey accurately reflects the practices of the nation's smaller state banks.

Main Treasury met with each of the federal banking agencies (OCC, FDIC, Fed, and OTS) to discuss parallel action in the privacy area by all regulators. Each banking agency has accorded a high priority to the privacy issue and is looking at possible areas for strengthening regulatory practices and encouraging improved policies and procedures by regulated institutions. The banking agencies agreed to coordinate informally their previously independent efforts at establishing guidelines and examiner guidance with respect to banking industry on-line privacy disclosures.

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Option

The Administration could officially encourage continued consultative efforts, while recommending more formal coordination efforts.

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Legislative Options

a. The Administration could endorse the Kyl bill and work with him toward passage, provided that the reported version adequately address concerns of the Treasury and Justice Departments.

b. Merchants require check-writers to provide proper identification, which often includes a driver's license or other identification card with a social security number. Usually a merchant will record the identifying number onto the check to provide proof of the verification activity.

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Recommendation

This simple action can create a realm of problems. As a result of this activity, a person's check, which contains a person's name, address, and bank account number, now also contains the individual's social security number. By linking these pieces of personal information together on a single check a merchant has made this customer an even better target for identity theft.

The Administration could seek legislation that makes it illegal to record social security numbers on a check that is being approved for a purchase. This would mirror a law that was passed several years ago that prohibited the recording of a credit card number onto a check when the credit card was used as a piece of identification. Such legislation would neither make it illegal for a merchant to ask for the identification, nor indicate that such a check occurred. The law would merely prohibit writing the actual social security number on the check. Note, however, that modern "telecheck" technology permits merchants to ensure that a personal check is good without a Social Security number.

THEFT OF PERSONAL INFORMATION

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In this case, which is the mirror image of identity theft, the offender obtains information illegally but then uses it for a legal purpose -- e.g., pretends to be a customer in order to trick confidential information out of a bank, and then sells that information to a private investigator, perhaps in a divorce case.

Chairman Leach has publicized this problem and is strongly committed to correcting it. His staff, however, is having a difficult time trying to do so. They have apparently abandoned imposing greater restrictions on bank security or greater criminal penalties on those who obtain the information. We had suggested that they speak to the FTC about whether civil enforcement was a possibility.

Recommendation

The Administration could explore whether the FTC and DOJ have adequate jurisdiction or penalties to punish those who obtain information by fraudulent means.

Note: There may be a problem of unclean hands here, as law enforcement is a primary consumer

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Recommendation

of this information.

PUBLIC EDUCATION

The U.S. approach to privacy focuses on choice – individuals should have the choice to protect or disclose most personal information. Many Americans are unaware of how their personal information is used, and they do not understand how to protect themselves or exercise their ability to choose. Likewise, many businesses are unaware of consumer concerns about privacy and have not thought through their information handling practices in light of this concern.

The Administration could identify private sector partners to develop an advertising campaign to inform individuals about how to exercise choice with respect to the collection and dissemination of their personally identifiable information. Such a campaign could include all advertising mediums – radio, television, print, and electronic.

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SOCIAL SECURITY NUMBERS

The use of Social Security number by the private sector in connection with a variety of transactions allows profilers, marketers and others to combine discrete bits of information to create a portrait of an individual. These portraits have legitimate uses -- law enforcement, credit assessments, debt collection, etc. -- and we therefore must tread cautiously to avoid upsetting an information structure that is fairly well established. The FTC recently indicated to Congress that the use of a unique identifier like Social Security numbers may contribute significantly to the accuracy of these portraits. In addition, the FTC indicated that "the cat may be out of the bag" with respect to private sector use of social security numbers.

Section 7 of the Privacy Act makes it unlawful for any Federal, State or local government agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number. The Act provides an exception that permits Federal, State or local governments to request disclosure of an individual's social security number. In such cases, the Act requires notice of whether the disclosure is mandatory or voluntary, by what statutory or other authority such number is

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solicited, and what uses will be made of it.

It seems unlikely that anything can be done with respect to limiting the use of social security numbers by the private sector -- they have become ubiquitous and any limitation could have significant economic implication. On the other hand, as technology provides new means of identification, such as biometrics, it is important to consider how to give individuals more control over these new categories of identifying information.

Option

The Administration could announce a study that both looks backward -- to discern "lesson learned" from the social security experience -- and looks forward, to avoid the same result with respect to new identification technologies.

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COMMERCIAL MARKETING

Please note that we do not propose action at this time in the area of commercial marketing.

Commercial marketers are individuals or entities that:

- E. Promote, sell, or deliver goods or services through direct sales marketing, campaigns to increase brand awareness, and other similar marketing strategies;
- F. Perform market research; or
- G. Foster the promotion, sale, or delivery of goods and services through the sale, rental, compilation, or exchange of lists.

Best Practices (principles) – Online Privacy Alliance, Direct Marketing Association

On June 22, 1998 a group of 50 businesses and trade associations announced the formation of

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the Online Privacy Alliance. The Alliance adopted well-received guidelines for fair information practices applicable across a range of industries, including the marketing industry. The Direct Marketing Association, which represents over 3700 direct marketers, has endorsed the Alliance guidelines, and committed to require DMA members to comply with the guidelines as a condition of membership in the association.

The Alliance guidelines require members to adopt and implement a policy for protecting the privacy of individually identifiable information. An organization's privacy policy must be easy to find and understand and must state clearly what information is being collected; the use of that information; possible third party distribution of that information; the choices available to an individual regarding collection, use and distribution of the collected information, as well as the consequences, if any, of an individual's refusal to provide information. The policy should also include a clear statement of the organization's accountability mechanism and information about how to contact the organization if a problem or complaint arises. At a minimum, individuals should be given the opportunity to opt out of uses that are unrelated to the purpose for which the information was collected. The Alliance guidelines also require data collectors to take appropriate steps to ensure the security, reliability and accuracy of personally identifiable

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The Direct Marketing Association has imposed additional requirements specific to marketing activities. These include a mandatory participation in the "Telephone Preference Service" and the "Mail Preference Service" through which consumers can have their names placed on a national "do not solicit" list.

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Best Practices (enforcement) FTC Enforcement, BBBonline, TRUSTe

The marketing industry has made progress by adopting robust statements of fair information practices, but effective self-regulatory enforcement mechanisms are just beginning to emerge.

The Council of Better Business Bureaus (CBBB) announced on June 22, 1998, that it will develop and implement a major privacy program through its subsidiary, BBBOnline. According to the CBBB press release, the online privacy program will feature: privacy standard-setting, verification, monitoring and review, consumer dispute resolution, compliance "seal", and educational components. The program is expected to "go live" in the fourth quarter of 1998.

TRUSTe is a not-for-profit organization based in Silicon Valley. The TRUSTe program provides notice by Web sites of their information practices, verification and oversight of the claims made in the site's notice, and consumer recourse through which consumer complaints will be resolved. TRUSTe has been criticized for its failure to require adherence to fair information practices -- any practice is permitted, as long as it is disclosed. On June 24, 1998, however,

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TRUSTe announced that it would require all new and renewing licensees to adhere to the privacy guidelines announced by the Online Privacy Alliance.

Legislative Option

The Administration could call for legislation that would specify a set of fair information practices applicable to commercial marketers and give the FTC authority to promulgate rules based on such standards. The grant of authority to the FTC could include a safe harbor provision – marketers who belong to a self regulatory organization operating in accordance with practices approved by the FTC would be presumed to be in compliance with the Federal Trade Commission Act.

IDENTITY THEFT

The term Identity theft generally refers to the fraudulent use of another person's identity to facilitate the commission of a crime, such as credit card fraud. To commit identity fraud, a criminal gathers information about a person and then uses the information to adopt the identity of a victim.

Under existing law, identity theft offenses are punished to the extent that they include identification documents (i.e., forged or stolen documents) and an intent to defraud the United States. Yet existing law does not reach identity theft that makes use of other means of identification, such as a social security number or a mother's maiden name.

For this reason, it would be helpful to change the law to recognize the potential harm that could be done by offenders who commit identity theft with means of identification, and to address other problems that have emerged as a result of a dramatic increase in cases of identity theft.

At the same time, legislation to criminalize identity theft must be carefully crafted to avoid problems that could arise from the federalization of a large new class of crimes.

Senator Kyl is in the process of marking up S. 512, the Identity Theft and Assumption Deterrence Act of 1997. After raising initial technical concerns about this bill, Departments of Treasury and Justice have worked to provide amendments (to be considered during markup) that would address any outstanding concerns.

Recommendation

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131)

id <01IZ4HHFOE4G000LKB@PMDF.EOP.GOV> for Kalil_T@a1.eop.gov; Tue,

7 Jul 1998 15:40:28 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)

with ESMTTP id <01IZ4HHB98Y8001SZ5@PMDF.EOP.GOV> for Kalil_T@a1.eop.gov; Tue,

07 Jul 1998 15:40:20 -0400 (EDT)

Received: from OSEC20.osec.doc.gov ([170.110.30.150])

by STORM.EOP.GOV (PMDF V5.1-10 #29131)

with SMTP id <01IZ4HGC7DNU0001JO@STORM.EOP.GOV> for Kalil_T@a1.eop.gov; Tue,

07 Jul 1998 15:39:43 -0400 (EDT)

Received: by OSEC20.osec.doc.gov with VINES-ISMTTP; Tue,

07 Jul 1998 15:39:29 -0400 (EDT)

X-Incognito-SN: 1287

Errors-to: DFriedkin@doc.gov

X-Incognito-Version: 4.11.23

X-Priority: 3 (Normal)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JUL-1998 15:20:12.00

SUBJECT: Mtg on Hefley Amendment to Treasury, Postal -- Thursday, July 9 @ 3pm -- W

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert S. Weiner (CN=Robert S. Weiner/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Craig T. Smith (CN=Craig T. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Martha Foley (CN=Martha Foley/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Virginia Apuzzo (CN=Virginia Apuzzo/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

We will be meeting with representatives of the Human Rights Campaign and staff from the offices of Congressmen Gephardt, Frank and Hoyer to discuss strategy around efforts to repeal the President's non-discrimination executive order on Thursday, July 9th at 3pm, in the Ward Room. Either please plan to attend or send an appropriate representative. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JUL-1998 16:12:16.00

SUBJECT: Women's Mtg

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Sandra Thurman (CN=Sandra Thurman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Judith A. Winston (CN=Judith A. Winston/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Robin Leeds (CN=Robin Leeds/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Roberta W. Greene (CN=Roberta W. Greene/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Karen E. Skelton (CN=Karen E. Skelton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lucia F. Gilliland (CN=Lucia F. Gilliland/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Virginia Apuzzo (CN=Virginia Apuzzo/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rebecca M. Blank (CN=Rebecca M. Blank/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Audrey T. Haynes (CN=Audrey T. Haynes/OU=WHO/O=EOP @ EOP [UNKNOWN])
READ:UNKNOWN

TO: Marsha Scott (CN=Marsha Scott/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Susan M. Liss (CN=Susan M. Liss/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Ellen M. Lovell (CN=Ellen M. Lovell/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Leslie Bernstein (CN=Leslie Bernstein/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

CC: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Jocelyn Neis (CN=Jocelyn Neis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Noa A. Meyer (CN=Noa A. Meyer/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

There will be a Women's Mtg on Thursday at 9am in room 100. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JUL-1998 13:29:35.00

SUBJECT: Republicans Trying To Kill Gay Order

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert S. Weiner (CN=Robert S. Weiner/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Martha Foley (CN=Martha Foley/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Virginia Apuzzo (CN=Virginia Apuzzo/OU=WHO/O=EOP @ EOP [WHO])
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TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Charles M. Brain (CN=Charles M. Brain/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Michael D. McCurry (CN=Michael D. McCurry/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Craig T. Smith (CN=Craig T. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 07/08/98
01:28 PM -----

Doug.Case @ sdsu.edu
07/08/98 01:56:00 PM

Record Type: Record

To: Stuart D. Rosenstein, Richard Socarides
cc:
Subject: Republicans Trying To Kill Gay Order

San Francisco Chronicle, July 8, 1998
(<http://www.sfgate.com>)

Republicans Trying To Kill Gay Order
Clinton barred discrimination

Louis Freedberg, Chronicle Washington Bureau

Several Republican lawmakers, including House Majority Whip Tom DeLay, are trying to block an executive order issued by President Clinton three months ago barring discrimination against gays in the federal government.

The

move represents the latest in a series of recent political attacks emanating

from GOP circles on gays and gay rights, including continuing opposition to

the nomination of San Francisco philanthropist James Hormel to be ambassador

to Luxembourg. Hormel is openly gay and a leading supporter of gay causes. Clinton's executive order, which was hailed by gay advocacy groups, added sexual orientation to the federal government's policy barring discrimination

on the basis of race, color, religion, sex, national origin, disability or age. Some federal agencies had already adopted such a policy, but it was applied inconsistently across the federal government.

Conservative organizations, led by the Family Research Council, are incensed at the order and are urging Republicans to move against it. They argue that Clinton has overreached his executive authority and is trying to

create ``institutional quotas'' on behalf of gays.

In response to their lobbying efforts, Representative Joel Hefley, R-Colo., will attach an amendment to a funding bill when the House reconvenes

next week that would forbid the federal government from spending any money on

enforcing Clinton's order. So far, there are no estimates on the cost of implementing it.

"Bill Clinton has added a new category to the nation's civil rights laws," Hefley said. "Apparently, he has decided to rule by executive order.

The last time I checked, amending federal law was Congress' job, not that of the executive branch.'

He and three colleagues, including DeLay, R-Texas, sent a letter to other lawmakers arguing that ``while we do not support discrimination, we also do not believe in giving special protected status because of sexual orientation, or for most other reasons.'

Richard Socarides, a spokesman for Clinton, said the president is "disturbed" by what he described as an effort to "pass a law that permits discrimination.'

He linked the attempt to block the anti-discrimination measure with the refusal of Senate Majority Leader Trent Lott to allow the full Senate to vote

on Hormel. The heir to the Hormel Meat Packing Co. fortune was approved by the

Senate Foreign Relations Committee in November. But Hormel's nomination has

languished since then, despite pressures on Lott from scores of Democrats and

key Republicans, including Senators Alfonse D'Amato of New York and Orrin Hatch of Utah, to let the philanthropist's name go forward.

'THE BIBLE IS CLEAR'

Last month, Hormel's chances seemed to diminish considerably when Lott,

R-Miss., compared homosexuality with afflictions such as kleptomania and alcoholism. House Majority Leader Dick Armey, R.-Texas, promptly endorsed Lott's comments, saying, "The Bible is very clear on this.'

Gay advocacy groups reacted strongly to the Republicans' move. "It is not

coincidental that Hefley's amendment is happening with the fall elections upon

us," said Tracey Conaty, a spokesperson for the National Gay and Lesbian Task

Force in Washington, D.C. "It is an effort to score cheap political points against a minority community.'

Conaty accused opponents of the anti-discrimination measure of "lies and deceptions" by inaccurately saying it calls for quotas on behalf of gays.

Steve Schwalm of the Family Research Council, the organization that drummed up support against Clinton's executive order, conceded that the measure does not specifically call for quotas. But he said it calls on heads

of all federal agencies to institute "affirmative programs" promoting "equal

employment" of gays. "We all know that affirmative action programs result in

quotas," he said.

GAY ACTIVISTS OPTIMISTIC

Gay advocates said they believe that they can defeat the move to overturn

the executive order. Winney Stachelberg, legislative director for the Human

Rights Campaign, the nation's largest gay advocacy organization, said surveys

taken by her organization show that there is considerable support for policies

prohibiting employment discrimination against gays. In fact, she said, the majority of lawmakers on Capitol Hill have instituted policies in their own

offices prohibiting such discrimination.

As for Hormel, Lott's office staunchly refuses to say whether the Senate

will be allowed to vote on his nomination. "It hasn't been scheduled yet, and

right now the schedule is very tight," a spokesperson said.

Senator Dianne Feinstein, D-Calif., who has been leading the lobbying effort on behalf of Hormel, said she refuses to believe that the nomination is

dead. "The majority leader has never said to me it is dead," she said, referring to Lott. "And I take him at his word."

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===== ATTACHMENT 1 =====
 ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131) id <01IZ5Q9HQ8G00026NN@PMDF.EOP.GOV>; Wed, 8 Jul 1998 13:02:06 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131) with ESMTTP id <01IZ5Q9EMS3K001DYS@PMDF.EOP.GOV>; Wed, 08 Jul 1998 13:02:01 -0400 (EDT)

Received: from mail.sdsu.edu ([130.191.25.1]) by STORM.EOP.GOV (PMDF V5.1-10 #29131) with ESMTTP id <01IZ5Q8QBVG00062P@STORM.EOP.GOV>; Wed, 08 Jul 1998 13:01:28 -0400 (EDT)

Received: from [130.191.242.121] ([130.191.242.121]) by mail.sdsu.edu (8.8.7/8.8.7) with ESMTTP id JAA22356; Wed, 08 Jul 1998 09:56:18 -0700 (PDT)

X-Sender: dcase@mail.sdsu.edu

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JUL-1998 09:27:50.00

SUBJECT: Updated Welfare Reform Accomplishments

TO: edahl (edahl @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Joanne.Whitman (Joanne.Whitman @ npr.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: dana.colarulli (dana.colarulli @ sba.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: corine.hegland (corine.hegland @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Paul_A. Leonard (Paul_A. Leonard @ HUD.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Jlombard (Jlombard @ acf.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jack A. Smalligan (CN=Jack A. Smalligan/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Anil Kakani (CN=Anil Kakani/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Thomas M. Rosshirt (CN=Thomas M. Rosshirt/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: susan.valaskovic (susan.valaskovic @ npr.gsa.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: William H. White Jr. (CN=William H. White Jr./OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Julie.Anderson (Julie.Anderson @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: linda.lawson (linda.lawson @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: mkharfen (mkharfen @ acf.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Joseph C. Fanaroff (CN=Joseph C. Fanaroff/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maureen H. Walsh (CN=Maureen H. Walsh/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Kelly Skoloda (CN=Kelly Skoloda/OU=OA/O=EOP @ EOP [OA])
READ:UNKNOWN

TO: Robin J. Bachman (CN=Robin J. Bachman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lee Ann Brackett (CN=Lee Ann Brackett/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Latest version--includes new teen pregnancy data and changes to last
bullet on food stamps to reflect Ag Research amendments. Chandler/Kelly,
please post to web site. Thanks===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D90]MAIL40977388N.126 to ASCII,
The following is a HEX DUMP:

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CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM.

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The latest caseload numbers, announced May 27th, show that welfare caseloads fell by 5.2 million since President Clinton took office and 3.3 million since he signed the welfare reform law. The new figures, from March 1998, show 8.9 million people on welfare, a drop of more than 37 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

MOVING PEOPLE FROM WELFARE TO WORK

- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership has grown to 5,000 businesses within one year. In 1997 these businesses hired 135,000 welfare recipients and the President has challenged them to double their efforts to 270,000 in 1998. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number, a web site, a "Blueprint for Business" manual, and a new report called The Road to Retention on businesses whose retention rates for former welfare recipients are higher than the retention rates for other new hires.
- **Connecting Small Businesses with New Workers:** The Small Business Administration is reaching out to small businesses throughout the country to help them connect with job-ready welfare recipients. In addition, SBA assists welfare recipients who wish to start their own businesses.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition focuses on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, **the federal government has hired over 4,811 welfare recipients, 45 percent of its planned hires.** As a part of this effort, the White House pledged to hire six welfare recipients and has already exceeded this goal.
- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients, and certain non-custodial parents, into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects. The

President announced the first round of 49 innovative competitive grants on May 27th.

- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits through April 2000.
- **Welfare-to-Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare-to-Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. **Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes.** To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. The Transportation Equity Act for the 21st Century (TEA-21), which the President signed on June 9th, authorizes \$750 million over five years for the President's initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers.

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 68% Increase in Collections:** The Clinton Administration collected a record \$13.4 billion in child support in 1997 through tougher enforcement, an increase of \$5.4 billion, or 68% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. In addition, a new collection system proposed by the President in 1994 and enacted as part of the 1996 welfare reform law located one million delinquent parents in its first nine months of operation. This National Directory of New Hires helps track parents across state lines by enabling child support officials to match records of delinquent parents with wage records from throughout the nation.

Approximately one-third of all child support cases involve parents living in different states. In June 1998, the President signed the Deadbeat Parents Punishment Act, a law based on his 1996 proposal for tougher penalties for parents who repeatedly fail to support children living in another state or who flee across state lines to avoid supporting them. This new law creates two new felonies, with penalties of up to two years in prison, for egregious child support evaders who travel across state or country lines to evade child support obligations, or who have an unpaid obligation to a child living in another state that is more than \$10,000 or has remained unpaid for more than two years.

Increasing Parental Responsibility: The President's unprecedented and sustained campaign to ensure parents financially support their children is working. Paternity establishment, often the crucial first step in child support cases, has dramatically increased, due in large part to the in-hospital voluntary paternity establishment program begun in 1994 by the Clinton Administration. In 1997, the number of paternities established or acknowledged rose to a record 1.3 million, two and a half times the 1992 figure of 512,000. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries, and taking steps to deny Federal loans to any delinquent parents. The welfare reform law contains tough child support measures that President Clinton has long supported including: the national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies, including working with boys and young men on pregnancy prevention strategies. In 1997, the President announced the National Strategy to Prevent Teen Pregnancy, mandated in the welfare reform law. It reported that HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996. And, teen pregnancy rates have decreased significantly from 1992-1995 in each of the 42 states that report data to Centers for Disease Control.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. In 1998, the President continues to reverse unfair cuts in benefits to legal immigrants.

- **Restoring Food Stamp Benefits for Legal Immigrants:** In June 1998, the President signed the Agricultural Research Act into law, which restores food stamp benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lawfully resided in the U.S. as of August 22, 1996 and lost assistance as a result of cuts in the 1996 welfare law that had nothing to do with welfare reform. It restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship. This law funds a significant part of the President's 1999 budget proposal to restore food stamp benefits to 730,000 legal immigrants, but the President's budget proposal would go further by covering families with children regardless of the date they entered the U.S. This restoration builds on the President's success last year in restoring SSI and Medicaid to 420,000 legal immigrants whose benefits were also terminated in welfare reform (see below).
- **Protects Legal Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants whose benefits were also terminated in welfare reform. This law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Protects Children by Keeping the Medicaid Guarantee:** The BBA preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.
- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act (BBA), as amended by the Agricultural Research Act, also restored \$1.3 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The BBA provided funds for work slots and food stamp benefits to help those who are willing to work but, through no fault of their own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would

otherwise be denied benefits as a result of the "3 in 36" limit.

7/08/98