



97 0923

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

June 24, 1997

MEMORANDUM FOR BUREAU HEADS

FROM: Robert E. Rubin *REB*

SUBJECT: President Clinton's Welfare to Work Initiative

In his March 8, 1997 memorandum, the President reiterated his commitment to providing employment opportunities to welfare recipients. Specifically, the President directed Federal agencies to "use all available hiring authorities, consistent with statute and prior executive memoranda, to hire people off the welfare rolls into available job positions in the Government."

The Department of Treasury is taking an active role in this effort. With the support of the Treasury bureaus, the Department has prepared a plan to recruit, hire and retain welfare recipients across the country. A copy of this plan is attached.

With the implementation of this plan, and based on estimates received from each bureau, I have committed the Department to a goal of hiring at least 200 welfare recipients in the first year. I will be relying on each of you to achieve this goal and will be monitoring your progress through monthly reports required by the President.

All bureaus should consider hiring welfare recipients for available positions, consistent with applicable laws and regulations. Our efforts should not undercut veterans' preference or other statutory requirements affecting hiring or priority placement programs. Instead, we can use this opportunity to promote Treasury as a model employer. We should cooperate with other agencies, state governments and community-based organizations to use all flexibilities to maximum advantage. For those we hire, we should provide mentoring and the workplace and skills training that are essential to ease their transition and promote long-term success. Finally, as we develop and implement worthwhile programs for former welfare recipients, whenever possible, coverage should be expanded to include other employees who might benefit.

Copies of this plan, as well as additional implementation instructions, will be provided to your personnel officer. Thank you in advance for your active participation and full support in this endeavor.

Attachment

EXECUTIVE SECRETARIAT CORRESPONDENCE MEMO COVER SHEET

16-Jun-97

PROFILE #: 1997-SE-006423

DATE CREATED: 06/16/97

ADDRESSEE: Robert E. Rubin
Secretary

AUTHOR: Munoz, George
Management

SUBJECT: Treasury's Welfare To Work Plan

ABSTRACT: Treasury's Welfare to Work Plan.

RM 3419

TO REVIEWERS

TO EXECUTIVE SECRETARY

IN:

IN:

TO THE SECRETARY

DATE SIGNED:

DISTRIBUTION: AS, MANAGEMENT

Handwritten notes:
to NRC
6/18/97
C. K. ...
TUN a 6/23/97
NRC

Handwritten notes:
return
for
changes
then
Hold for
(3) clearance
6/24/97

Handwritten notes:
NRC
to
NRC
(signature)
(for 6/24)



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ACTION

ASSISTANT SECRETARY

JUN 16 1997

MEMORANDUM FOR SECRETARY RUBIN

FROM: George Muñoz *GM*
Assistant Secretary (Management)
and Chief Financial Officer

SUBJECT: Treasury's Welfare to Work Plan

ACTION FORCING EVENT:

On March 8, 1997, President Clinton directed agencies to develop and implement plans to provide Federal employment opportunities for welfare recipients. The attached memorandum has been prepared for your signature in order to transmit the Department's Welfare to Work Plan to the bureau heads and to show your support for this initiative.

RECOMMENDATION:

That you sign the attached memorandum to bureau heads transmitting the Department's Welfare to Work Plan (Tab A).

Agree Disagree Let's Discuss

BACKGROUND/ANALYSIS:

As part of welfare reform, President Clinton issued a memorandum directing each agency to develop a plan to hire welfare recipients in the Federal government. With the support of the Treasury bureaus, the Department's Plan was developed and submitted to the White House. A copy was also sent to the National Treasury Employees Union, in accordance with their statutory national consultation rights. The purpose of the attached memorandum is to transmit the Department's Plan to the bureaus and to emphasize your commitment and support for this initiative. Shortly following the distribution of the memorandum, an implementation guide containing more detailed information will be sent to the bureau personnel officers.

ATTACHMENT: Tab A: Memorandum to Bureau Heads

EXECUTIVE SECRETARIAT

1997-SE-006423



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

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I am proud to announce that the Department of Treasury is taking an active role in this effort. With the support of the Treasury bureaus, the Department has prepared a plan to recruit, hire and retain welfare recipients across the country. A copy of this plan is attached.

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I want all bureaus to consider the possibility of hiring welfare recipients for available positions, consistent with applicable laws and regulations. Our efforts should not disadvantage anyone due special consideration because of veterans' preference or other legislation affecting hiring or priority placement programs. Instead, we must use this opportunity to promote Treasury as a model employer. We must cooperate with other agencies, state governments and community-based organizations to use all flexibilities to maximum advantage. For those we hire, we must provide mentoring and the workplace and skills training that are essential to ease their transition and promote long-term success. Finally, as we develop and implement worthwhile programs for former welfare recipients, whenever possible, coverage should be expanded to include other employees who might benefit.

Copies of this plan, as well as additional implementation instructions, will be provided to your personnel officer. I expect your active participation and full support in this endeavor.

Attachment

TREASURY CLEARANCE SHEET

No. _____
Date _____

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: George Muñoz, Assistant Secretary for Management & CFO
 THROUGH: _____
 SUBJECT: Government Employment for Welfare Recipients

REVIEW OFFICES (Check when office clears)

- | | | |
|--|--|---|
| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for International Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
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| | <input type="checkbox"/> Legislative Affairs | |
| | <input type="checkbox"/> Management | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S) Randy Kruger	<i>RK</i>	4/13/97	Office of Personnel Policy	622-0624
REVIEWERS Ronald Glaser	<i>RG</i>	6/4/97	Acting Director, Office of Personnel Policy	622-1890
David A. Lebryk	<i>DL</i>	6/4/97	Acting, Deputy Assistant Secretary Human Resources	622-0175
George Muñoz	<i>GM</i>	6-16-97	AS (Management) and CFO	622-0410
** Edward Knight			General Counsel	622-0287

SPECIAL INSTRUCTIONS:

On March 8, 1997, the President issued a directive regarding government employment for welfare recipients. In order to show the Secretary's support for this initiative, advise the bureau heads of the Department's hiring goal, and provide bureau heads with a copy of the Department's Welfare to Work Plan, I propose that the attached memo be signed. A draft copy of this memo was coordinated with the Office of the Chief of Staff.

cc: Jason Solomon (*** For Simultaneous clearance 6/16/97*)

Review Officer _____ Date _____ Executive Secretary _____ Date _____

1997-SE-005862

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220



JUNE 2, 1997

**MEMORANDUM FOR THE SECRETARY
DEPUTY SECRETARY**

FROM: Michael Barr *MB*
Jon Gruber

SUBJECT: Welfare to Work Progress

There was a DPC meeting today to discuss the Ways and Means markup of the \$3 billion welfare to work package, and then Bruce Reed met with Clay Shaw's staff this afternoon. Surprisingly, the staff draft was reasonably favorable from our perspective, including a number of changes the Administration sought. The highlights are:

A) 50% of the funds will flow to states by formula. The formula would be based at least 50% on number of individuals in poverty, and up to 50% on unemployment rate, and long term TANF recipient levels. The funds would be administered locally by PICs, using "service delivery areas." These PICs would get a weighted percentage of the funds based on the share of unemployed, those on TANF, and the long-term welfare recipients. States would be required to provide a 33 % match and 80 % maintenance of effort. 85 % of the funds would have to be spent as prescribed by statute while 15% could be used flexibly consistent with the Act's purposes.

B) The other 50% will be allocated by competition, open to states, counties and cities. This is sensible; we might try to push for a greater percentage based on competition; the congressional majority will push the other way for more formula funding. 75 % of the competitive funds would go to up to the 100 largest cities (defined as those with the greatest number in poverty).

C) The legislation is very flexible in terms of allowable uses of funds, addressing our concerns on this point. For example, subsidizing the creation of public sector jobs is an allowable use, as is job training.

D) The eligibility criteria for participants is somewhat weak. We will be urging greater targeting toward the harder to employ welfare recipients.

We will keep you posted.



May 29, 1997

Memorandum for the Secretary

From: Michael Barr *MB*
Jon Gruber

Subject: Welfare to Work
Friday's 8:15 Bowles meeting

UPDATE

We attended the 4 pm pre-brief today. House Republicans will begin drafting their welfare to work bill tomorrow and markup is expected Tuesday or Wednesday. We should try to lock in as much detail as possible during this stage, but we will have later opportunities to intervene, both in the House at markup, and in the Senate.

Based on today's meeting, DPC has come up with a list of priorities for discussion with the Hill tomorrow. We pushed for inclusion, in our priorities, of a number of items which were accepted. These include:

1. Eligible Uses. Public sector jobs should be included.

We believe you should push for maximum state flexibility. For example, uses should not be confined to placement, but should extend to other types of activities, such as transportation, child care, and job and life skill training essential to retention.

2. Competition. Challenge grants, to induce innovation and marginal behavior, rather than formulas, should be used.

We believe that you should push for as much real competition, and real concentration of resources as possible. There will be a push to make the competition less real, and to spread the money to all the states.

3. Performance Bonuses. Performance bonuses will be targeted to successful placement of the harder to employ and those located in high poverty and unemployment areas.

While the targeting of performance bonuses may seem a second order issue, we believe that they are critically important to making bonuses work, while avoiding "creaming" and the punishment of areas with worse off economies.

4. Cities. Cities should get a large share (at least 50%) of the funds directly, both given the President's proposal last August, and given the need to give mayors additional leverage in their negotiations with governors over distribution of TANF funds for job placement in distressed areas.

As the process continues, we will emphasize these priorities, as well as state flexibility.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 29, 1997

Memorandum for the Secretary

BRIEFING

From: Michael Barr
Jon Gruber
Subject: Welfare to Work
Friday's 8:15 Bowles meeting

John

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5. As the process continues, we will emphasize these priorities, as well as state flexibility.

EXECUTIVE SECRETARIAT

1997-SE-005305

We focus our comments on seven areas:



DEPARTMENT OF THE TREASURY
WASHINGTON

May 16, 1997

To: **Lawrence Summers**

From: Michael Barr *MB*
Jon Gruber *JG*

Re: **Welfare to Work**

In light of the budget deal, the administration is restarting its interagency process on welfare to work.

The bipartisan budget agreement adds \$3 billion "in capped mandatory spending through 2001 to TANF, allocated to states through a formula and targeted within a state to areas with poverty and unemployment rates at least 20 percent higher than the state average. A share of funds would go to cities/counties with large poverty populations commensurate with the share of long-term welfare recipients in those jurisdictions."

By its terms, the agreement would thus make the welfare to work funding an adjunct to TANF block grants to the states, rather than the more targeted approach Treasury preferred. Within the constraints of the agreement, and in anticipation of this interagency process, we have formulated some reactions to the two current congressional welfare to work proposals, one by Daschle and the other by Stenholm and the Blue Dogs. These "principles" will guide our input at the interagency meetings.

Please let us know if you agree with our approach, or have other matters you would like to address related to welfare to work initiatives.

insist on a fairly dispersed geographic distribution; however, there is some effort to concentrate the funds in relatively high poverty/unemployment areas within states. We will continue to argue for as much concentration of funds as possible to the neediest areas, rather than spreading the money so thinly that it is of little use.

6) **State Plans.** Both proposals insist that states submit plans detailing their welfare to work strategy for approval. The submission of plans, and a requirement of real approval (as opposed to TANF's requirements), may give the federal government some useful leverage in decreasing the likelihood that the funds will simply replace state funded efforts, in providing meaningful input into the shaping of state plans, in keeping track of state programs, and in reining in particularly egregious practices.

1997-SE-005199



DEPARTMENT OF THE TREASURY
WASHINGTON

May 14, 1997

To: **Larry Summers**

From: Joshua Gotbaum *JG*
Jon Gruber *JG*

Re: **Welfare to Work Displacement**

Attached is a draft memo on the effect of moving welfare participants into the workforce. This memo is the result of joint work between the CEA and our staff.

DRAFT

**WELFARE REFORM AND
LABOR MARKET DISPLACEMENT**

May 1997

A report prepared by the
Council of Economic Advisers and the
U.S. Department of Treasury, Office of Economic Policy

WELFARE REFORM AND LABOR MARKET DISPLACEMENT

Recently enacted welfare reform legislation will lead to the inflow of perhaps 2 million welfare recipients into the labor market. One concern that has been raised is that these individuals will take jobs away from others (mainly the less-skilled) who are already engaged in market work. Such "displacement" would be disturbing because the burden of welfare reform should not be borne by those who have "played by the rules" in the past.

Yet, it is far from clear whether current job holders will be displaced by the welfare recipients who will enter the labor market. The number of workers employed is determined by market forces that include both supply and demand side factors. While the supply of workers will certainly increase, the demand for workers continues to grow; for instance, 12 million new jobs have been created since January 1993. A rising demand for workers may allow for the entry of welfare recipients into the labor market without disrupting the employment of those currently holding jobs.

One way to determine whether displacement is likely to occur is to examine previous episodes where a large number of new workers entered the labor market for largely noneconomic reasons. This brief report will explore the employment outcomes resulting from such events for new and previously employed workers in the period of time after the "shock" occurred. Several such incidents are considered, including: (1) the baby boom, (2) growing female labor force participation, (3) the "Great Migration" of blacks to the North in the first half of this century, (4) the boom in immigration, including one localized incident of a sudden increase in the size of an immigrant community, and (5) teen summer employment. In all five cases, the evidence suggests that little displacement occurs. Furthermore, the Administration's labor market policies have been designed to minimize the problem, should it occur.

HISTORICAL EVIDENCE ON LABOR MARKET DISPLACEMENT

Several historical examples of surges in the supply of labor can help us evaluate the effect of such shocks on those already working. In each case, the evidence indicates that large numbers of new jobs were obtained by the group entering the labor market with no obvious impact on the employment of others. Each of the examples provided here may not be perfect in the sense that other events may have been occurring contemporaneously which eased the transition. Nevertheless, the fact that the labor supply shocks did not appear to generate any significant labor market displacement in all five cases suggests that, aside from cyclical fluctuations, market mechanisms operate to provide a sufficient number of jobs for all who seek them.

The Baby Boom

The baby boom cohort born in the years following World War II was significantly larger than preceding cohorts; the baby boomers represented a huge increase in the available supply of labor when they reached labor market age. For example, between 1965 and 1974, the population of men

between the ages of 25 and 34 grew by about 4 million (Figure 1). As these individuals moved into the labor market, their success in finding jobs was comparable to earlier cohorts of younger workers, as measured by the employment-to-population ratio. Evidence suggests that the baby boomers' arrival in the labor market did not lead to employment declines for older workers, however, the employment-to-population ratio of 35 to 44 year old men remained roughly constant over the period.

Increased Female Labor Supply

The trend towards greater labor force participation among women has been ongoing for several decades. For instance, the share of women between the ages of 25 and 54 with jobs rose from about half to over two-thirds between 1975 and 1996 (Figure 2). The entry of so many women into the labor market may have led to job loss among the men for whom they may have competed for jobs. Evidence contradicts this hypothesis; the share of men between the ages of 25 and 54 that were employed exhibited very little change aside from cyclical fluctuations over this period.

The Great Migration

From 1910 to 1950 the migration of blacks from the South increased the population of blacks in the North from 1 million to 4 million (see Figure 3). This "Great Migration" came about in response to a number of factors: increased labor demand in the North brought about by two world wars, a desire on the part of blacks for greater freedom and economic opportunity, and a reduction in labor demand in the South resulting from the mechanization of cotton production. The skills that these migrants had acquired in the agricultural South were obsolete in the industrial North. Yet the North absorbed these internal migrants and still created significantly more employment opportunities for others; employment increased from 22 million to 33 million over this 40 year period. This record is even more impressive given that this period includes the Great Depression, when Northern employment actually fell.

Immigration

The flow of immigrants into the United States and into the labor market has risen dramatically over the past 15 years. Although only about 400,000 immigrants entered this country per year in the 1970s, the inflow has risen to roughly twice that recently. As a result, the share of the population that is foreign born has been increasing at an increasing rate (Figure 4). These new immigrants appear to have been largely successful in obtaining employment as the employment-to-population ratio of immigrants actually rose between 1980 and 1990 and has remained roughly constant since then. The employment gains of these new workers may have come at the expense of native born workers with whom they may have been competing. No evidence of this displacement is apparent, however, as the

employment-to-population ratio of native-born workers has continued to gradually increase over the period.¹

Localized incidents of a sudden increase in the size of an immigrant community provide additional evidence that native-born workers are not displaced by immigrants.² For example, the Miami area became the home for several hundred thousand Cuban immigrants released for political reasons in the summer of 1980 Mariel Boatlift. Changes in the labor market success for native born workers of various demographic groups can be identified by examining employment patterns for Miami residents to similar workers residing in comparison cities in the years immediately before and just after 1980. If the inflow of Cuban immigrants displaced native-born workers in Miami, the share of a particular demographic group employed should have fallen there compared to other localities and the effect should have been larger for less-skilled workers that could more easily substitute for the new, largely less-skilled, immigrants. Evidence indicates that this pattern is not observed in the data, however, suggesting that job displacement did not occur in Miami.

Teen Summer Employment

Each year, hundreds of thousands of teens flood the labor market during their school summer vacations looking for jobs. Over the past few years, for example, an additional 10 to 15 percent of teens obtain employment during the summer compared to the rest of the year (Figure 5). This surge of very young workers may hinder the employment prospects of other young workers between the ages of 20 and 24 or perhaps even those between 25 and 34. Employment patterns for these other groups shows no adverse reaction to the entry of teens during the summer. In fact, those aged 20-24 experience small gains in employment as well during the summer as college students seek summer employment.

POLICIES TO MITIGATE ANY DISPLACEMENT EFFECTS

The best estimates currently available suggest that any displacement effect associated with welfare reform will be small, at most. Nevertheless, to mitigate any adverse impact of welfare reform on other workers in the economy the Administration has developed a four prong strategy to stimulate

¹The impact of immigrants on labor market outcomes of natives has been examined extensively by academic researchers; reviews of this literature include Friedberg, Rachel M. and Jennifer Hunt, "The Impact of Immigrants on Host Country Wages, Employment, and Growth," *Journal of Economic Perspectives*, Spring 1995, pp. 23-44, and George Borjas, "The Economics of Immigration," *Journal of Economic Literature*, December 1994, pp. 1667-1717.

²See Card, David, "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review*, January 1990, pp. 245-157 and Hunt, Jennifer, "The Impact of the 1962 Repatriates from Algeria on the French Labor Market," *Industrial and Labor Relations Review*, April 1992, pp. 556-572.

employment and prevent displacement. This strategy is essential to insuring that there are enough jobs in the economy to accommodate everyone that wants to work.

First, it is critically important that the overall economy continue to grow and expand. Since 1993 nearly 12 million jobs being created in the economy lowering unemployment to below 6 percent for 31 consecutive months. The President's balanced budget plan will insure deficit reduction and promote economic growth so that all Americans can enjoy a better economic future.

Second, the President has proposed \$3 billion for the Welfare-to-Work Challenge program. This program gives states and cities subsidies to help encourage private business to expand the number of jobs and hire welfare recipients. By helping stimulate job creation by private employers the total number of jobs available would increase to accommodate those moving off the welfare rolls.

Third, the President has proposed a continuation of the Work Opportunity Tax Credit (WOTC) for hiring individuals from certain economically disadvantaged groups and the welfare to work (WTW) tax credit for hiring long term welfare recipients. The WOTC and WTW tax credits are worth up to \$2100 and \$5000 per year respectively. A Harvard University study has shown that tax subsidies can be effective in boosting employment of disadvantaged adults and youth.³ These job creation benefits are more likely to exist when tax credits are combined with the types of direct demand stimulus embodied in the Welfare-to-Work initiative.

Finally, the President's welfare reform legislation has embodied in it legislative prohibitions designed to prevent employers from displacing workers with welfare recipients. The Personal Responsibility and Work Opportunity Reconciliation Act contains specific language to prohibit the displacement of existing workers with welfare recipients.⁴ Employers claiming the WOTC or WTW tax credit must keep the employee 120 days or 400 hours to get any of the benefit of the credit. This encourages employers to establish long term jobs rather than churning over one worker for another simply to get the credit.

³ See Lawrence Katz "Wage Subsidies For The Disadvantaged", National Bureau of Economic Research, working paper 5679, July 1996.

⁴ Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Sec. 407, f. Nondisplacement in Work Activities.

Figure 1

Effect of the Baby Boom

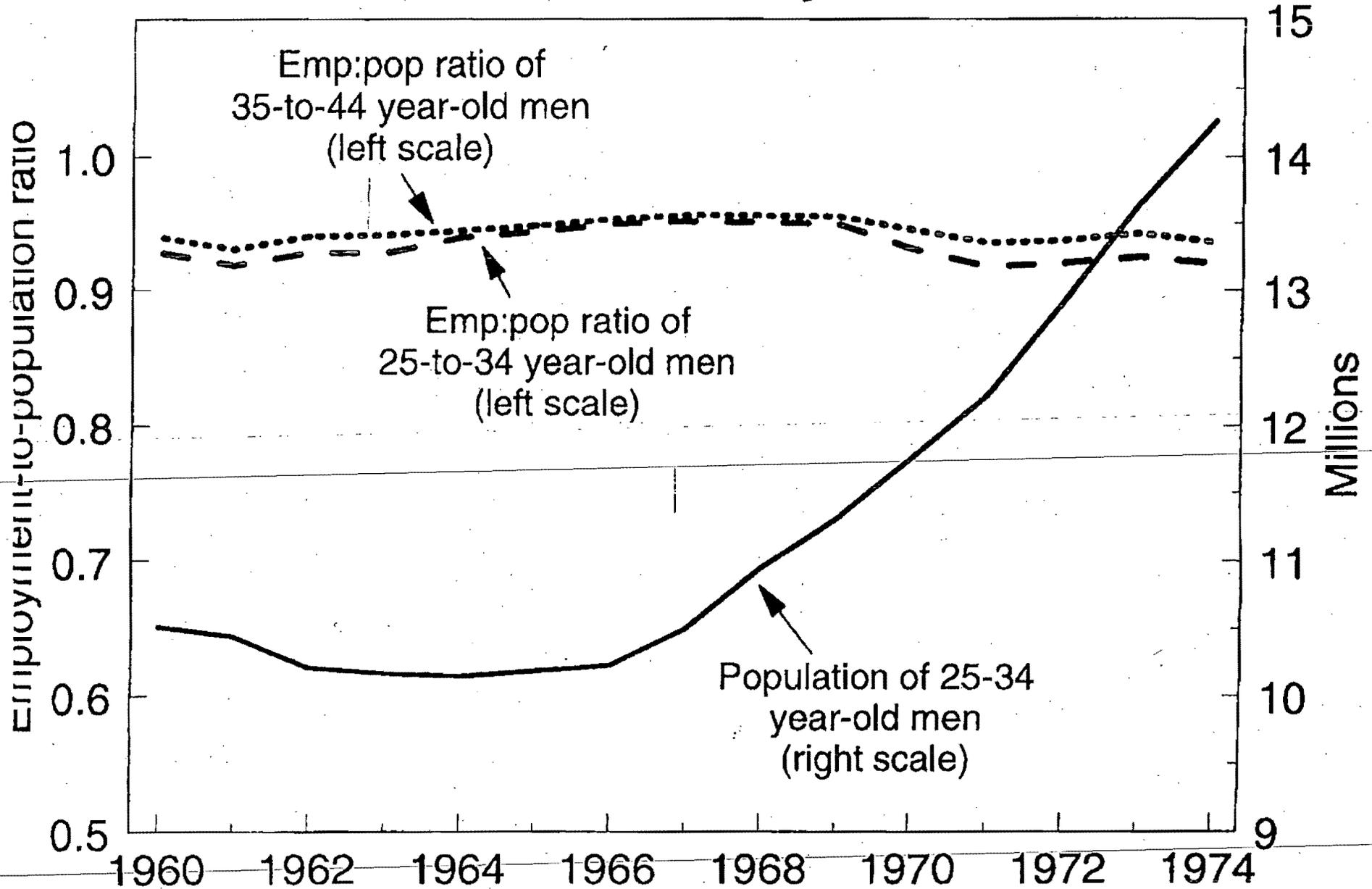


Figure 2

Effect of Growth in Female Employment

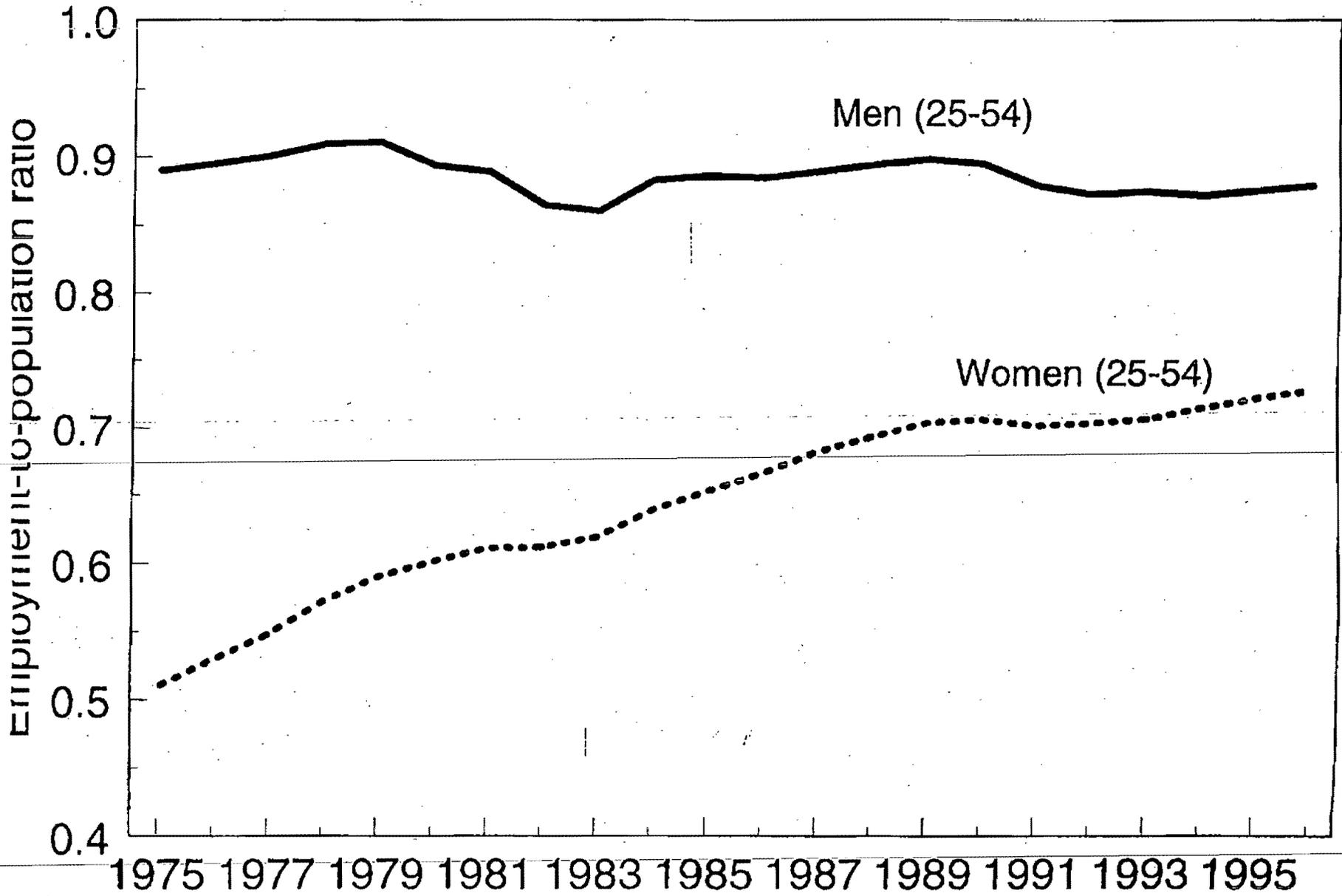


Figure 3

Effect of the "Great Migration"

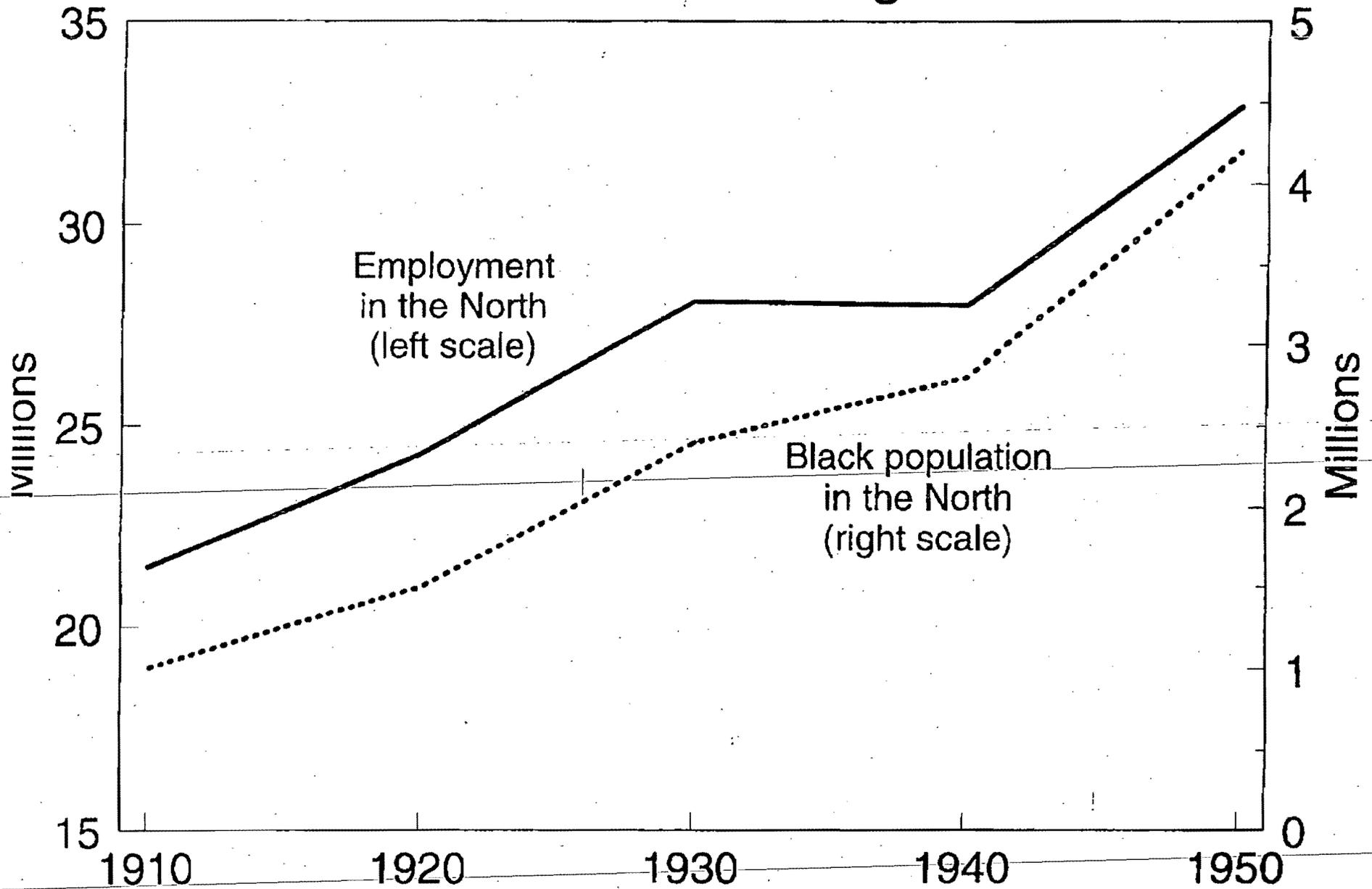


Figure 4

Effect of Immigration

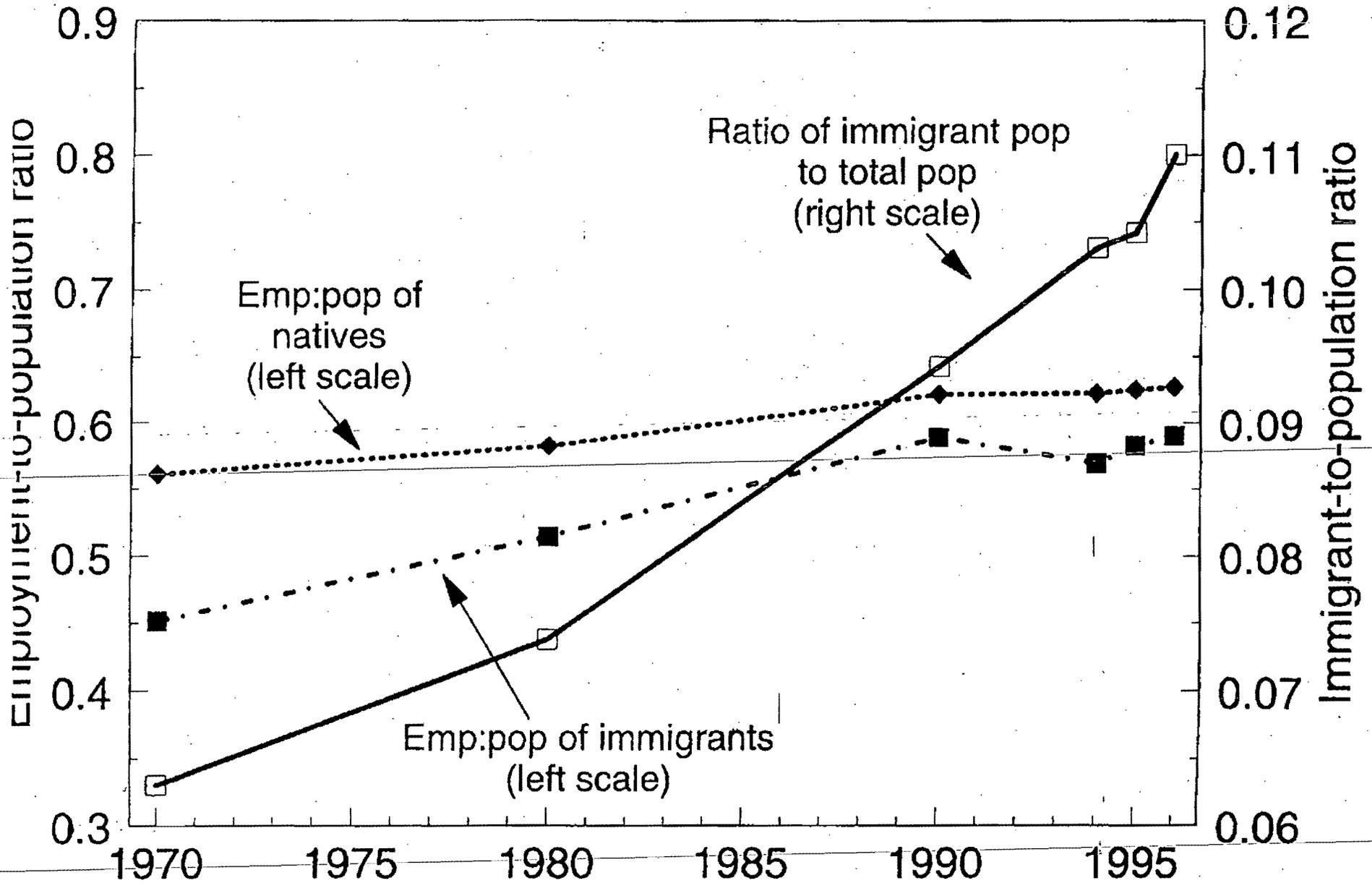
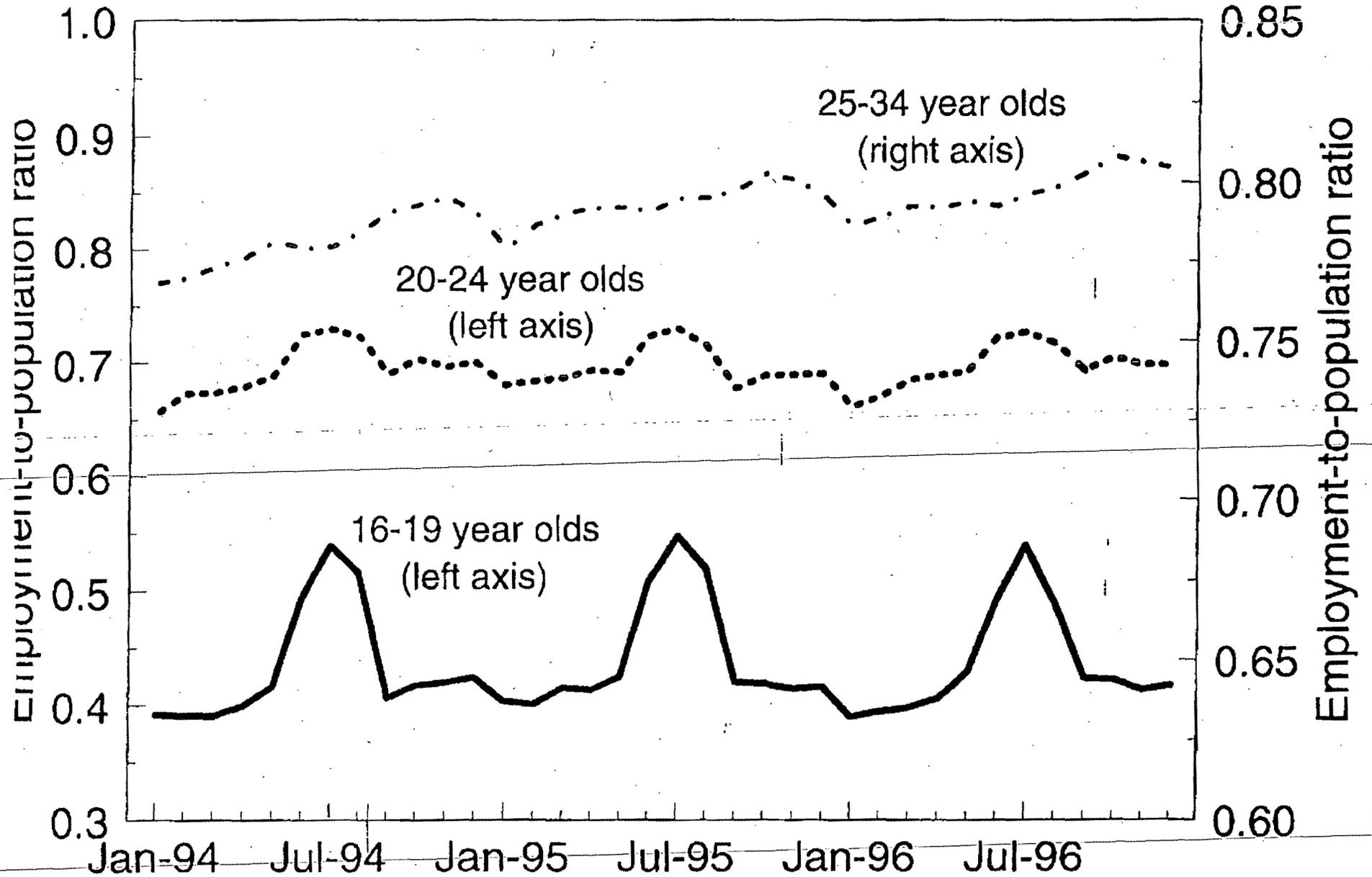


Figure 5

Effect of Teen Summer Employment



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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

MEMORANDUM FOR SECRETARY RUBIN

FROM: George Muñoz
Assistant Secretary (Management)
and Chief Financial Officer

SUBJECT: "Welfare to Work" - Government Employment for Welfare Recipients

ACTION FORCING EVENT:

On March 8, 1997, President Clinton directed agencies to prepare individualized plans for hiring welfare recipients into available positions in the Federal government. Plans are due to the White House, through the National Performance Review (NPR), by **April 7, 1997**. Also, a Cabinet meeting with the President, preceded by a press conference, is scheduled for **April 10, 1997**.

RECOMMENDATION:

That you approve Treasury's Welfare to Work Plan by signing the introduction page where indicated (Tab A). **NOTE: Highlights of the plan and talking points on accomplishments and goals for the Cabinet meeting and press conference are attached at Tab B.**

_____ Agree _____ Disagree _____ Let's Discuss

BACKGROUND/ANALYSIS:

As part of welfare reform, President Clinton issued a memorandum directing each agency to develop a plan to hire and retain welfare recipients in the Federal government (Tab C). The plan includes: targeted categories of positions; recruitment and hiring strategies; and assistance and retention actions to ensure success. Plans are due to the White House, through NPR, by **10:00 a.m., April 7, 1997**.

President Clinton also stated in his memorandum that he would hold a special Cabinet meeting for agency heads to report on their plans. NPR has informed us that the meeting will be held on **April 10, 1997**, to be preceded by a press conference. The focus of the meeting and press

conference will be on how agencies' plans fit in with their mission and their role in welfare reform. For reference at the Cabinet meeting and press conference, attached are highlights of Treasury's plan and talking points on the Department's current actions, our past accomplishments, and our goals to meet the mandate of welfare reform.

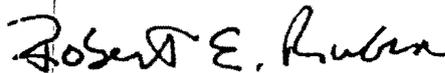
ATTACHMENTS: Tab A: Treasury's Welfare to Work Plan
Tab B: Reference Material for Cabinet Meeting and Press Conference
Tab C: President Clinton's Memorandum of March 8, 1997

WELFARE TO WORK IN TREASURY
INTRODUCTION

In accordance with the President's memorandum of March 8, 1997, Treasury has prepared a plan which outlines the Department's strategies for recruiting welfare recipients for placement into suitable positions and assisting them so that once hired, they can perform well and keep their jobs.

The Department consists of 13 bureaus which have been delegated personnel authority. Planning for the Welfare to Work initiative is being coordinated centrally in the Department. The Treasury bureaus are responsible for the implementation of this plan and have outlined strategies which reflect their particular mission, culture and budgetary resources. The bureaus will use all existing hiring authorities and have already identified a number of creative outreach approaches.

We enthusiastically support this initiative and believe this plan lays the groundwork for the Department's efforts. All Treasury bureaus will examine their recruitment procedures to determine how their outreach efforts can be improved. This plan establishes a foundation for maximizing the Department's ability to hire welfare recipients now and in the future.



Robert E. Rubin
Secretary
Department of the Treasury

Department of the Treasury

**WELFARE
to
WORK**

**Recruitment, Hiring,
and Retention Plan**

WELFARE TO WORK IN TREASURY

INTRODUCTION

In accordance with the President's memorandum of March 8, 1997, Treasury has prepared a plan which outlines the Department's strategies for recruiting welfare recipients for placement into suitable positions and assisting them so that once hired, they can perform well and keep their jobs.

The Department consists of 13 bureaus which have been delegated personnel authority. Planning for the Welfare to Work initiative is being coordinated centrally in the Department. The Treasury bureaus are responsible for the implementation of this plan and have outlined strategies which reflect their particular mission, culture and budgetary resources. The bureaus will use all existing hiring authorities and have already identified a number of creative outreach approaches.

We enthusiastically support this initiative and believe this plan lays the groundwork for the Department's efforts. All Treasury bureaus will examine their recruitment procedures to determine how their outreach efforts can be improved. This plan establishes a foundation for maximizing the Department's ability to hire welfare recipients now and in the future.

Robert E. Rubin
Secretary
Department of the Treasury

POSITION TYPES AND LOCATIONS OF IDENTIFIED OPPORTUNITIES

The Department surveyed each bureau in order to identify those categories of positions for which we can most readily hire welfare recipients. The results of the survey are provided in the chart at **Attachment A** which identifies position types by bureau, location (city), and occupation and title. Treasury has the greatest likelihood of hiring welfare recipients in larger cities, such as Washington, D.C., Philadelphia, Memphis and Kansas City, since many of the Department's functions are located in such areas.

As the chart indicates, the majority of the position categories listed are those normally filled at lower grades, for example: Mail Clerk, File Clerk, and Laborer. The reason for this is two-fold. First, it is assumed that many of those who have been on the welfare rolls for an extended time are relatively unskilled. Second, the Worker-Trainee Program that has been highlighted as an appropriate vehicle for hiring welfare recipients is used, without exception, to hire entry level personnel. However, in every instance, we will seek information on the skills of the welfare recipients to match them with suitable available jobs, and will strive to help them advance as their skill levels improve.

BUREAU RECRUITMENT PLANS

Outreach Strategies - Key Contacts

The Department recognizes that for this initiative to be successful, it must be promoted at the local level, and supervisors and managers on the front-line must be provided with the necessary support. These supervisors and managers are the keystone of this entire effort. To ensure the proper coordination and facilitation with the supervisors and managers, the Department has asked each bureau to designate key contacts throughout each organization, both at the headquarters and local level. Each bureau has already identified at least one key contact. These contacts will be assigned a variety of responsibilities, and will specifically be given authority to:

- Maintain contact with managers and supervisors who identify work availability;
- Explain application procedures and qualification requirements to applicants;
- Work with applicants to ensure they receive assistance in developing interviewing skills;
- Provide briefings at employee orientations (including eligibility for Earned Income Tax Credit (EITC));
- Monitor welfare recipients' progress during their probationary period;
- Conduct skills assessments and basic skills training;

- Monitor procedures and/or coordinate reports for new hires; and
- Disseminate information to other key contacts.

The key contacts in the Washington Metropolitan Area will coordinate their efforts through the U.S. Office of Personnel Management's Interagency Advisory Group (OPM/IAG). This group has taken the lead in interfacing with local welfare organizations in the Washington Metropolitan Area.

The contacts outside the Washington Metropolitan Area will locate and develop working relationships with a wide variety of organizations, depending on individual bureau needs. We have identified a number of outreach organizations, including those listed below:

- Department of Labor
- Private Industry Councils
- State Employment Services
- State Social Services Agencies
- Job Corps Centers
- Local Referral Services
- Local Churches
- Federal Executive Boards and Federal Executive Agencies
- Mayor's Office of Employment and Training
- Libraries
- Other Federal Agencies

In addition to contacting many of the organizations listed, key contacts will participate in job fairs/career expos sponsored by state/local governments and community agencies that render assistance in securing employment for welfare recipients. Whenever possible and practical, key contacts will coordinate their efforts with other Treasury key contacts. Those representing the largest organizational unit in a commuting area will take the lead. Efforts will also be made to contact other Federal agencies in the local commuting area to share contacts, vacancy announcements, recruitment sources, applicant referrals and supply files, training facilities and equipment, and information about state, local and community employment and social services.

Use of New Technologies

While the key contacts will be available to provide basic support and technical assistance, supervisors and managers will still need access to the proper tools. We are encouraging the Treasury bureaus to explore the use of new technologies to facilitate the recruitment process and ask that they share information on innovative methods they discover. Examples of some strategies already identified include:

- Using external mail and facsimiles to advertise work availability in order to facilitate and accelerate access to the OPM/IAG liaison group and local welfare organizations;
- Using Job Information Kiosks linked to OPM's Federal Job Information Center (FJIC) to make job information readily available;
- Posting vacancy announcements on OPM's Federal Job On-line Listing system and bureau websites, and determining if local social services and employment organizations have access;
- Using intranet (e.g., e-mail) to quickly disseminate information internally; and
- Depending upon the automated capability at a recruiting site, accessing assorted websites and bulletin boards, particularly for the Department of Labor, state employment and social services agencies and OPM.

Use of Appointment Authorities

The following appointment authorities have been targeted for use in hiring welfare recipients. In all cases, the requirements for priority referral of displaced Federal employees will be met. Also, veterans preference provisions for selection from a list of eligibles will be applied where applicable.

Competitive Service Appointments

- Worker-Trainee Program - A program targeting unskilled workers to be hired into GS-1, WG-1 and WG-2 positions designed to provide individuals an opportunity to learn marketable skills and good work habits.
- Permanent career or career-conditional appointments - Appointments to both full and part-time positions will be considered.
- Time-limited appointments - Both temporary and term appointments will be considered.

Excepted Service Appointments

- Schedule A and B authorities.
- Veterans Readjustment Appointment (VRA) - Available to appoint certain veterans of the Armed Forces. This also includes provisions for training, flexible work schedules and conversion to competitive service.

- Student Educational Employment Program - Designed to assist students in gaining full and part-time work experience while pursuing their education. Contains two components, the Student Career Experience Program and the Student Temporary Employment Program.
- Special Appointment of Readers for the blind, Interpreters for the hearing-impaired and Personal Assistants for the disabled - Positions may be full or part-time.
- Special Appointment of Mentally Retarded Persons - Generally made on a continuing basis without time limitations. Appointments may be either full or part-time and appointees may qualify for conversion to the competitive service upon completion of two years of successful performance.
- Special Appointment of Severely Physically Disabled Persons - Filled by severely disabled persons. Appointments may be full or part-time and appointees may qualify for conversion to the competitive service upon completion of two years of successful performance.

Additional Outreach Efforts

In addition to traditional sources of outreach, new opportunities will be pursued. They include:

- Working with local high schools and colleges to identify welfare recipient students who may be eligible for student employment;
- Including local social service agencies on vacancy announcement and appropriate mailing lists;
- Utilizing Treasury contractors throughout the country by seeking and encouraging them to hire welfare recipients whenever possible;
- Developing fact sheets that will contain employment guidelines and information about the organization for use when contacting state employment services; and
- Having the Secretary of the Treasury issue a general notification to all supervisors and managers to educate them about this initiative, to stress the importance of understanding the Earned Income Tax Credit, and to demonstrate his commitment.

RETENTION STRATEGIES

Mentors

Within the first week of employment, each employee will be assigned a mentor. When possible, employees will be matched with mentors having job experiences similar to the jobs to which the new hire is assigned. Ideally, these mentors will also serve as a coach or on-the-job instructor. Mentors will be trained to share developmental advice, provide performance feedback, communicate information about the Earned Income Tax Credit (EITC) and make referrals to the Employee Assistance Program. Mentors will also receive training about organizational and local means of support (personnel, equal employment opportunity offices, career centers, health units, etc.).

Training

Individual Development Plans

Individual Development Plans (IDPs) will be created for the new employees within thirty days of their employment. These plans will be jointly developed by the employees, mentors, and supervisors. Where possible, skills assessments will be used to identify developmental needs. The contents of each IDP will be tailored specifically to the organization's needs and to the employee's background and type of appointment; however, each plan will include some of the following types of training:

- *Formal Training* - Typically, formal training efforts will employ a mix of three components: Basic Skills - competency in reading, writing, and mathematics; Foundation Skills - learning to learn, adaptability, communications skills, and interpersonal skills; and Job Specific Skills - skills related to competencies required to perform duties. This training will be delivered through inservice and outservice means.
- *On-the-Job Training* - On-the-job training serves two fundamental purposes: to impart necessary skills, knowledge, and behaviors on a "just in time" basis allowing the employee to perform successfully; and to allow employees to develop a personal foundation of confidence which will reinforce a desire for continued personal growth and career advancement.
- *Self-Help* - With the assistance of a mentor, these employees may utilize organization and/or local resources for self-study of an academic, work skills, and/or personal improvement nature.

Job Rotation

When possible, employees may be rotated through various program areas to increase their knowledge and understanding of the organization. Before an employee is rotated into a new job assignment, the employee, mentor, and supervisor must agree that the employee is developmentally ready for the new assignment. The mentor and supervisor must also ensure that the new work environment will enhance the employee's development.

Supervisory Training

We cannot assume that the current supervisory training is sufficient to prepare supervisors to assist these employees. Therefore, with the help of the Department of Labor and the Office of Personnel Management, we will conduct a survey to identify skills supervisors need to assist employees in transitioning to the workplace. For example, the Office of Personnel Management has developed a training module entitled, "Work and Family Issues." The objective of this module is to "recognize and deal with specific work situations in a family-friendly environment." Such training may better equip supervisors to meet organizational goals through helping employees balance work and family responsibilities. In some instances, supervisors may need skills to help existing work groups accept new employees as team members.

Employee Assistance Program (EAP)

This program, which is a nationwide professional counseling and referral service designed to help with personal, family or job problems, will be explained to new employees. We will stress the fact that the services are confidential. Employees will be encouraged to utilize the services for personal, family, and work-related problems, e.g., transition stress, managing finances, credit counseling, substance abuse, legal issues, and balancing home and work demands. Some bureau EAP contracts allow the EAP counselors to conduct on-site workshops for groups of employees. Where appropriate, this support strategy will be used. As mentioned above, mentors will be trained to recognize when an employee needs to be referred to the EAP and how to successfully make that referral. Bureaus will conduct a study to determine if current EAP services are affordable and adequate to meet the needs of these employees.

Flexibilities

There are many family-friendly programs in the Federal workplace which should be readily adaptable to this employee population. In addition to the mentoring support discussed previously, the Department provides support in the areas of child care and elder care, and also is able to provide flexible work hours as discussed below:

Child Care

Child care support is provided through a variety of means, both in Washington, D.C. and nationwide. Where the concentration of employees supports establishing a child care facility at a particular Treasury bureau, separate centers have been developed. In other instances, a Treasury bureau may coordinate its activities with other nearby Federal agencies, such as the arrangement in D.C. among Treasury's Departmental Offices, the Department of Veterans Affairs, and the White House in sponsoring the *US Kids* child care center. Where none of these types of facilities can be established, counseling is available to assist individual employees in locating suitable child care arrangements. To help retain these new employees, the Treasury Department will explore the possibility of increasing the number of scholarships awarded through child care centers and also explore the feasibility of creating sliding fee scale schedules.

Elder Care

Elder care counseling and support are provided through the various bureaus' Employee Assistance Programs (EAP), on an "as needed" basis for all employees. In addition, an employee who has a specific circumstance involving an elderly family member can request adjustment of his or her work schedule and can use the Family and Medical Leave Act and the Family Friendly Leave Act to meet important family needs.

Flexible Hours

Most bureaus offer some or all of their employees the option of participating in one of the compressed or flexible work schedules. Generally, participation is quite high, with percentages ranging above 50%. For some employees, this means using a compressed work schedule so that they can take a day off each pay period. Others prefer flexible work schedules which enable them to start and end their work days at times that permit them to drop children off at day care or be home when the children arrive home from school. Under flexible schedules, employees may also accumulate credit hours that give them the latitude to take time off for personal business without using their annual leave.

Federal Fare Subsidy

Most of Treasury's bureaus provide some amount of subsidies for public transportation costs. Expansion of this program will be examined once the General Services Administration receives advice from the Department of Justice regarding targeting subsidies to segments of the employment population.

LOCATION AND TYPES OF POSITIONS		
BUREAU	LOCATION	POSITION CATEGORY
Financial Management Services	Washington, DC Metropolitan Area and	GS-305 Mail and File Clerk GS-318 Secretary GS-326 Office Automation Clerk GS-335 Computer Clerk/Assistant WG-3502 Laborer WG-5703 Motor Vehicle Operator
	Field Locations: Austin, TX Birmingham, AL Chicago, IL	GS-301 Receptionist (Trainee) GS-305 File Clerk GS-305 Mail and File Clerk GS-322 Clerk Typist
	Kansas City, MO Philadelphia, PA San Francisco, CA	GS-326 Office Automation Trainee GS-503 Claims Clerk WG-3502 Laborer WG-5440 Checkwrapping System Helper
Office of the Comptroller of the Currency	Washington, DC Metropolitan Area	OCC will work with contractors to encourage the future hiring of welfare recipients in the dining facility and mail room.
Departmental Offices	Washington, DC Metropolitan Area	GS-305 Mail and File Clerk GS-322 Clerk Typist WG-3502 Laborer WG-3566 Custodial Worker

LOCATION AND TYPES OF POSITIONS

BUREAU	LOCATION	POSITION CATEGORY
Office of Inspector General	Washington, DC Metropolitan Area and Field Locations: Boston, MA Chicago, IL Houston, TX Indianapolis, IN Los Angeles, CA Marlton, NJ Miami, FL New Orleans, LA New York, NY San Francisco, CA	GS-303 Miscellaneous Clerk and Assistant Series
Bureau of Public Debt	Parkersburg, WV	GS-305 Mail Clerk GS-305 File Clerk GS-305 Mail and File Clerk WG-3502 Laborer

LOCATION AND TYPES OF POSITIONS

BUREAU	LOCATION	POSITION CATEGORY	
Mint	Washington, DC Metropolitan Area and Field Locations: San Francisco, CA Philadelphia, PA Denver, CO West Point, NY	GS-303 GS-326	Miscellaneous Clerk and Assistants Series Office Automation Clerk
Internal Revenue Service	Washington, DC Metropolitan Area and Numerous Locations Nationwide	GS-303 GS-305 GS-356 GS-592	Miscellaneous Clerk and Assistant Series Mail and File Clerk Data Transcriber Tax Examiner
Bureau of Engraving and Printing	Washington, DC Metropolitan Area and Fort Worth, TX	GS-305 GS-322 KG-3502 KG-4400	Mail and File Clerk Clerk Typist Laborer Printing Plant Worker

LOCATION AND TYPES OF POSITIONS

BUREAU	LOCATION	POSITION CATEGORY	
Bureau of Alcohol, Tobacco and Firearms	Washington, DC Metropolitan Area and Field Locations: Atlanta, GA Chicago, IL Dallas, TX New York, NY San Francisco, CA	GS-303	Miscellaneous Clerk and Assistant Series
U.S. Secret Service	Washington, DC Metropolitan Area and	GS-303 GS-303 GS-326	Stay-in-School Clerk File Clerk Office Automation Clerk
	Large Field Offices Nationwide	GS-303 GS-303 GS-326 WG-5703	Field Office Dispatcher Stay-in-School Clerk Office Automation Clerk Motor Vehicle Operator
Federal Law Enforcement Training Center	Glynco, GA Artesia, GA	GS-303 WG-3502	Clerk Laborer

LOCATION AND TYPES OF POSITIONS

BUREAU	LOCATION	POSITION CATEGORY	
U.S. Customs Service	Washington, DC Metropolitan Area and	GS-303 Miscellaneous Clerk and Assistant Series GS-305 Mail and File Clerk GS-326 Office Automation Clerk GS-334 Computer Specialist	
	Field Locations Nationwide	GS-302 Messenger GS-303 Miscellaneous Clerk and Assistant Series GS-304 Information Receptionist GS-305 Mail and File Clerk GS-318 Secretary (Office Automation) GS-322 Clerk Typist GS-326 Office Automation Clerk GS-334 Computer Specialist GS-1802 Investigative Assistant GS-1897 Customs Aid WG-3502 Laborer	
	Office of Thrift Supervision	Washington, DC Metropolitan Area and Field Locations Nationwide	Entry level clerical and wage grade positions (TG-1 through TG-3)

WELFARE TO WORK IN TREASURY

HIGHLIGHTS

Background

On March 8, 1997, the President issued a directive requiring agencies to develop individualized plans to hire people off the welfare rolls. Provided below are the highlights of Treasury's plan.

Positions and Locations of Identified Opportunities

The majority of positions for which we can most readily hire welfare recipients are lower-graded positions such as Mail Clerk, File Clerk, and Laborer. These positions exist throughout the country but mainly in large cities such as Washington, D.C., Philadelphia, Memphis and Kansas City.

Outreach Strategies

- Supervisors and Managers - Front-line supervisors and managers are the keystone to this effort. Without their cooperation and commitment the initiative will not be successful.
- Key Contacts - Bureaus are tasked with identifying key contacts to serve as liaison with state employment offices, local social services offices, and other organizations which will provide support in this effort.
- Outreach Organizations - Key contacts will be required to coordinate their efforts through a number of different outreach organizations. Examples include:
 - U.S. Office of Personnel Management's Interagency Advisory Group (OPM/IAG)
 - Department of Labor
 - Private Industry Councils
 - State Employment Services
 - State Social Services Agencies
- Additional Outreach Efforts - In addition to traditional sources of outreach, new opportunities will be pursued, such as seeking and encouraging Treasury contractors to hire welfare recipients whenever possible.
- Use of New Technologies - The Department will use new technologies to facilitate the recruitment process by making it easier to distribute information on available jobs and to provide easier access to local social services and employment agencies.
- Use of Appointment Authorities - Treasury will use every available and appropriate appointment authority to hire welfare recipients but will still meet the requirements for priority referral of displaced Federal employees. Also, veterans preference provisions will

be applied where applicable. Appointment authorities to be used will include, but are not limited to:

- Worker-Trainee Program - Targets unskilled workers to be hired into entry level positions
- Time-Limited Appointments - Allows temporary appointments (up to one year) and term appointments (one to four years)
- Veterans Readjustment Appointments (VRA) - Available to appoint certain veterans of the Armed Forces
- Student Educational Employment Program - Designed to assist students in gaining work experience while pursuing their education

Retention Strategies - Treasury will take the following measures to assist former welfare recipients to perform well and keep their jobs.

- **Mentors** - Employees hired from the welfare rolls will be assigned a mentor.
- **Training** - Individual Development Plans (IDPs) will be created for new employees to identify developmental needs.
- **Employee Assistance Program (EAP)** - Employees will be encouraged to utilize the services for personal, family, and work-related problems.
- **Flexibilities** - Many family-friendly programs will be utilized to assist new employees in adapting to a work environment and to address their special needs. Examples include:
 - Determining availability of child care and the possibilities for tuition assistance
 - Providing for elder care counseling and support
 - Offering the option of participating in compressed or flexible work schedules
 - Providing subsidies for public transportation costs

WELFARE TO WORK IN TREASURY

ACCOMPLISHMENTS AND GOALS

What We Are Doing - Treasury has taken steps to identify new ideas or significant actions in the development of our plan to implement the President's Welfare to Work initiative. Examples include:

- The Internal Revenue Service has 31 Performance Development Centers. These Centers are designed to enable employees to improve their knowledge base through skills inventory assessments, tailored courses and interaction with a career counselor or Education Specialist.
- The Equal Opportunity Office in the Bureau of Alcohol, Tobacco and Firearms manages a mentoring program that will be adapted to accommodate new employees hired from the welfare rolls. In addition, the Training and Professional Development Directorate in ATF will develop generic training packages that can be tailored to specific individuals. Such packages will contain lesson plans in such areas as basic business English, telephone courtesy, basic computer skills, and dressing for the workplace.
- New hires in the Departmental Offices will have use of the Career Resource Center with an extensive library of books, pamphlets and videos to accelerate their adjustment to the workplace.
- The Financial Management Service has a cadre of trained volunteer mentors who have participated in a formal Mentoring Skills Development Program. They will utilize experiences gained from this existing program to better provide ongoing assistance to new (welfare) hires.
- The Bureau of Public Debt, located in Parkersburg, West Virginia, has already contacted the West Virginia Department of Health and Human Resources and plans to work closely with them in a pilot Welfare Reform Program called "WV Works." It is Public Debt's hope that they can find common avenues for channeling potential welfare recipients into jobs.

What We Have Done - One of the Department's priorities, "Help low-income households and economically depressed areas," closely relates with the Welfare to Work initiative. We have been working to use the tax tools and tools of finance to address the persistence of high levels of poverty and dependency, the social problems associated with that poverty, and the acute economic isolation of large numbers of poor people. The Department has many accomplishments to report, both directly related to providing tax relief for low income workers and also supporting the overall welfare reform initiative. Examples include:

- The IRS conducts an extensive marketing campaign to educate both businesses and taxpayers about the Earned Income Tax Credit (EITC). This campaign includes TV and

radio Public Service Announcements, print products and interviews. An extensive mailing is distributed each year to over 6,000 organizations across the country to provide working families with the information needed to claim the credit and provide the site locations where they may go for assistance. In addition, IRS has reached 6.7 million employers through articles in the SSA/IRS Reporter. The IRS also sends out "Post Filing Notices" to those filing returns who did not claim a credit but appear to be eligible. More recently, and directly associated with the President's directive, Secretary Rubin sent to the Heads of Executive Departments and Agencies, information on the both the eligibility for EITC and instructions and rules for informing employees about EITC.

- The Department secured a permanent Low Income Housing Tax Credit (LIHTC) which expanded the flow of private investment dollars to rebuild housing.
- The Department initiated a nationwide network of community development banks with the passage of the Community Development Financial Institutions Fund bill, which provides capital to distressed communities across the U.S. This, along with the Community Reinvestment Act, will help promote the economic viability of inner cities and distressed communities across the nation and should lead to more jobs in the areas that need them most.
- The Volunteer Income Tax Assistance (VITA) Program offers free tax help to people who cannot afford professional assistance. Volunteers help prepare basic tax returns for taxpayers with special needs. VITA is currently in its 27th year of service. In 1996 alone, 47,529 VITA volunteers assisted 1,880,038 taxpayers in completing their returns.

What We Hope To Do - Although Treasury has made great strides in providing tax relief for those most in need and for educating the public as to available programs, improvements can always be made. Here are some goals we hope to meet:

- Provide a *doorway to life off welfare* through the implementation of the Department's Welfare to Work Plan.
- Improve the comprehension and utilization of the EITC and advance EITC. A task force, established by the Taxpayer Advocates Office, is currently studying this very issue. While we are always trying to increase participation in the EITC, of particular interest to this task group is how to increase participation in advance EITC.
- Encourage more low income taxpayers to obtain free help filing their tax forms.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 8, 1997

March 8, 1997

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Government Employment for Welfare Recipients

Since I signed the historic welfare reform law, I have urged businesses, nonprofit organizations, and religious groups across the Nation to help make its promise of opportunity real by offering jobs to welfare recipients. We are making great progress, but there is more to do. And today, I take action to ensure that the Federal Government, as the Nation's largest employer, contributes to the greatest extent possible to this national effort.

I therefore direct each of you, as head of an agency or department, to use all available hiring authorities, consistent with statute and prior executive memoranda, to hire people off the welfare rolls into available job positions in the Government.

In particular, I direct you to expand the use of the Worker-Trainee Program and other excepted service hiring authorities. The Worker-Trainee Program allows agencies to quickly and easily hire entry-level persons for up to 3 years, with the ability to convert the appointment to career status if the employee has performed satisfactorily. Though recently underutilized, the program allows agencies to bypass complex Federal personnel hiring rules and procedures to bring people into the junior grades of the work force.

I further direct you, in recognition of the different characteristics of the various agencies' work forces, to prepare an individualized plan for hiring welfare recipients and to submit that plan to me within 30 days. This plan should have three principal components:

- The plan should contain a survey indicating in which divisions and for which categories of positions your agency can most easily hire welfare recipients, both in the Washington, D.C. area, and in the field.
- The plan should describe in detail how the agency intends to recruit and hire qualified welfare recipients. This description should include a proposed local outreach program, and utilize Federal Executive Boards and Federal Executive Agencies to bring Federal job opportunities to the attention of welfare offices, State and private employment offices, nonprofit organizations, and others that work with welfare recipients on a regular basis. This

program should build upon the Government's existing nationwide employment information systems.

- The plan should describe in detail how the agency will assist welfare recipients, once hired, to perform well and to keep their jobs. The agency should include in this aspect of the plan proposals for on-the-job training and/or mentoring programs.

I expect each agency head to report to me about his or her plan at a special cabinet meeting called for that purpose. Following this meeting, I also expect monthly reports on implementation.

To ensure deep and continuing involvement in this issue by the White House, I ask the Vice President to oversee this effort. Based on his expertise in Federal workplace issues, he will assist all agencies in carrying out their commitments.

Finally, I direct appropriate agencies to take three steps that will help bring welfare recipients into the Federal work force while assisting all other low-income Federal employees.

- I direct each agency head to notify all employees eligible for the Earned Income Tax Credit (EITC) of both their eligibility and their ability to receive EITC monies each month in their paychecks. Currently, not all agencies inform qualifying employees of their eligibility and options for payment. To insure uniform implementation, I direct the Secretary of the Treasury to issue to each agency within 15 days a statement of EITC eligibility rules which agencies can use to inform their employees.
- I direct the General Services Administration (GSA) to issue within 30 days guidelines regarding use of the Federal Fare Subsidy Program. These guidelines should address whether agencies may offer fare subsidies based on employee income, which would enable more agencies to participate in the Fare Subsidy Program.
- I direct the GSA, after consultation with all Federal agencies, to report back to me within 30 days on plans to assist low-income Federal workers in finding affordable child care. This report shall include information on agency-sponsored child care centers and agency contracts with local child care resource and referral services, as well as recommendations on any appropriate expansion of these arrangements to provide assistance to low-income Federal workers.

WILLIAM J. CLINTON

TREASURY CLEARING HOUSE

No. _____
Date _____

MEMORANDUM FOR:

- SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: George Muñoz, Assistant Secretary for Management & CFO
 THROUGH: _____
 SUBJECT: Welfare to Work - Government Employment for Welfare Recipients

REVIEW OFFICES (Check when office clears)

- | | | |
|--|--|---|
| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for International Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| | <input type="checkbox"/> Legislative Affairs | |
| | <input type="checkbox"/> Management | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
Randy Kruger	<i>RK</i>	4/2/97	Office of Personnel Policy	622-0624
REVIEWERS				
Ronald Glaser	<i>RG</i>	4/2/97	Acting Director, Office of Personnel Policy	622-1890
George Muñoz			AS (Management) and CFO	622-0410
Edward Knight			General Counsel	622-0287

SPECIAL INSTRUCTIONS:

Attached for your approval is Treasury's Welfare to Work Plan, in response to President Clinton's March 8, 1997 memorandum directing agencies to develop plans for hiring welfare recipients in the Federal government. Plans are due to the White House, through NPR, by 10:00 a.m., April 7, 1997. In addition, the President scheduled a Cabinet meeting, to be preceded by a press conference, to discuss the plans. The Cabinet meeting will be held on April 10, 1997. Attached for reference at the meeting are a summary of the plan, examples of bureau actions, and Treasury accomplishments that impact welfare reform.

cc: Scott Gould

Review Officer _____ Date _____ Executive Secretary _____ Date _____

ADMINISTRATION HISTORY APPENDIX
CHAPTER FIVE: CREATING A SAFER AND MORE
SECURE SOCIETY

CUSTOMS

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

June 4, 1998

MEMORANDUM FOR PRESIDENT CLINTON

FROM: Robert E. Rubin *R. E. R.*

SUBJECT: Operation Casablanca

On May 18, 1998, the Attorney General and I announced the results of Operation Casablanca, an undercover operation led by the U.S. Customs Service ("Customs") which targeted the primary financial systems utilized by the Juarez and Cali cartels. The operation was the largest drug money laundering case in the history of U.S. law enforcement, resulting thus far in 166 arrests and the seizure of over \$93 million.

As you know, this operation has led to a number of difficult questions, including the degree of consultation within the U.S. and Mexican governments and the potential violation of Mexican laws by U.S. law enforcement personnel. These are serious issues that we are currently examining very actively. However, in our efforts to smooth over our relations with Mexico, we need to be careful about rushing to judgments about how we respond to these concerns, both to protect important law enforcement interests and to avoid a reaction here at home which could prove deleterious both to the Government of Mexico and to the Administration's efforts to fight narcotics trafficking and money laundering.

For example, our ongoing cooperation with Mexican law enforcement authorities is very important. However, we should not make blanket assurances about the degree of consultations on future operations like Casablanca which could jeopardize both the success of those operations and the life and safety of U.S. law enforcement officers.

This operation has the potential to affect Mexican politics in a number of ways. Obviously, there are concerns about U.S. agents' alleged violation of Mexican laws, which we are looking into right now. However, I believe it is in the strong interest of the Mexicans to play down this dispute, since a public controversy is likely to raise questions about why we felt constrained about consulting further with Mexican authorities. (You should know that Mexican authorities were briefed early on in the operation, and Ambassador Jones and other Embassy staff were kept informed at various points throughout.)

Similarly, we need to be careful in our public statements and in our assurances to President Zedillo not to create an impression here at home which could lead some to conclude that the Administration is insufficiently committed to anti-drug and anti-money laundering efforts. Senator Lott has already sent a letter to President Zedillo expressing concern about the Mexican President's criticism of the operation, and other Members of Congress (e.g., Chairman Gilman) have reportedly been critical of Administration comments suggesting a defensive posture vis-a-vis Mexico.

- To PA/NCC 6/4/98
 - PA/NCC revised 6/4/98
 - NF to RER
 - RER ~~revised~~ to NF to revise
 - NF revised
 - NCC cleared by G.C., Enforcement, and CASIA
 - PA revised per G.C. comments
 - ~~NF~~ ^{NF} ok to autopen per NCC
 - PA autopenned
 - PA to WH 6/4/98
 - NCC/DI to RER/LS (reading) 6/4
- Please log + file.

ADMINISTRATION HISTORY APPENDIX
CHAPTER FIVE: CREATING A SAFER AND MORE
SECURE SOCIETY

CHURCH
ARSON

1997-SE-000524



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

January 16, 1997

ASSISTANT SECRETARY

MEMORANDUM FOR SECRETARY RUBIN

THROUGH: RAYMOND W. KELLY *Rick Kelly*
UNDER SECRETARY (ENFORCEMENT)

FROM: JAMES E. JOHNSON *JE Johnson*
ASSISTANT SECRETARY (ENFORCEMENT)

SUBJECT: Transmittal of National Church Arson Task Force
Status Report to the President

ACTION FORCING EVENT:

An interim report has been prepared for the President providing a status of accomplishments of the National Church Arson Task Force (NCATF) he established in June 1996.

RECOMMENDATION:

That you sign the attached joint letter with the Attorney General forwarding an interim report of the NCATF to the President.

✓ RER/PAH
_____ Agree _____ Disagree _____ Let's Discuss

BACKGROUND ANALYSIS:

As the result of a disturbing series of arsons and attacks on houses of worship, the President established a National Church Arson Task Force in June 1996. The Task Force is co-chaired by Treasury and the Department of Justice. The Task Force has deployed over 200 ATF and FBI investigators to work together with state and local police. This interim report outlines the impressive results accomplished thus far. The letter also commends the President for harnessing the efforts of the Departments of Treasury, Justice, Housing and Urban Development, and the Federal Emergency Management Agency. The NCATF has opened 328 investigations of incidents that occurred at houses of worship from January 1, 1995 through January 7, 1997. During that period, 143 suspects were arrested in connection with those investigations. Two thirds of these defendants were arrested following the formation of the Task Force in June 1996.

ATTACHMENT: Letter for Signature



NATIONAL CHURCH ARSON TASK FORCE



P. O. Box 65798
Washington, D.C. 20530

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We are very pleased to submit to you the attached Interim Report of the National Church Arson Task Force (NCATF). The Task Force has been in operation for slightly more than seven months and has made significant progress in investigating and prosecuting the recent attacks on houses of worship.

Your actions have enabled us more effectively to pursue the guilty parties, prevent additional fires and help the victims rebuild. In June 1996, you declared that the investigations and prevention of church arsons would be a national priority. By calling upon the Departments of the Treasury, Justice, and Housing and Urban Development and the Federal Emergency Management Agency, you harnessed the resources and energies of your Administration for this effort. You also invited Governors from the Southern states to join in our effort to combat these crimes and encouraged religious and private organizations to help communities rebuild the churches. Your support has been vital to our success thus far.

The National Church Arson Task Force has been responsible for overseeing the law enforcement effort and ensuring a coordinated response by federal, state and local law enforcement authorities. We have been aided in our task by Congress, which provided additional resources and enacted the 1996 Church Arson Prevention Act.

We have achieved striking results:

- The NCATF has opened investigations of 328 arsons, bombings or attempted bombings that have occurred at houses of worship between January 1, 1995, and January 7, 1997.
- As a result of the exceptional partnership among federal, state and local law enforcement, many of the incidents investigated have been solved, mainly by a combination of federal and state arrests and prosecutions.

The President
Page 2

- Since January 1995, arrests of 143 suspects have been made in connection with 107 fires at churches and other houses of worship. This rate of arrest is significantly higher than the general arrest rate for arsons.
- Three quarters (104) of all defendants arrested in the last two years were arrested during the seven months following the formation of the Task Force.
- Since January 1, 1995, federal and state prosecutions have resulted in convictions of 48 defendants, in connection with fires at 43 houses of worship. The remaining cases are still pending trial.

We are grateful for your leadership on this issue and the support that you have extended to the Task Force. We would also like to commend Assistant Secretary James E. Johnson and Assistant Attorney General Deval L. Patrick, co-chairs of the Task Force, as well as the men and women of the ATF and FBI, for the superlative work they have done in this effort. The attached report provides greater details on the progress of the Task Force's efforts. We would be pleased to brief you in more detail.

Respectfully,



Robert E. Rubin
Secretary of the Treasury

Janet Reno
Attorney General

INTERIM REPORT FOR THE PRESIDENT

I. Overview

Over the past year, a disturbing series of arsons and violent attacks on houses of worship have traumatized the victim congregations and their communities, challenged law enforcement agencies, and stirred the nation's conscience. In response to an outpouring of national concern, President Clinton declared the investigation of these fires a top priority of federal law enforcement, and directed his Administration to implement a three-pronged strategy to (1) identify and prosecute the perpetrators; (2) rebuild the burned churches; and (3) prevent more fires.

The report released today shows striking results on all fronts:

- The rate of arrest (33%) in the church arson cases is double the general arrest rate for arsons (16%). Federal and state authorities have arrested 143 suspects since January 1, 1995, in connection with 107 fires at churches and other houses of worship. Three quarters (104) of all defendants arrested in the last two years were arrested since June 1996, when the President established the National Church Arson Task Force (NCATF or "Task Force") to oversee the investigation and prosecution of incidents of church arson. Since January 1, 1995, 48 defendants have been convicted in federal and state prosecutions in connection with fires at 43 houses of worship. Overall, the NCATF has opened investigations of 328 arsons, bombings or attempted bombings that have occurred at houses of worship between January 1, 1995, and January 7, 1997.
- The Department of Housing and Urban Development (HUD) is working closely with the National Council of Churches and the Congress of National Black Churches in the rebuilding effort. As a result of this cooperation, ten churches have been rebuilt and 30 churches are undergoing construction. HUD is administering a \$10 million Federal Loan Guarantee Fund to assist with the rebuilding of houses of worship and other non-profit organizations that have been damaged or destroyed by arson. This fund was established by Congress as part of the 1996 Church Arson Prevention Act.
- Arson prevention efforts are now underway across the nation. The Department of Justice awarded \$3 million in grants to counties in 13 states to intensify their enforcement and surveillance efforts around vulnerable houses of worship. The Federal Emergency

Management Agency (FEMA) established a Clearinghouse for arson prevention resources that has received over 10,000 telephone inquiries from all 50 states and the District of Columbia, and has distributed over 300,000 packets of arson prevention materials, including the NCATF Church Threat Assessment Guide. FEMA efforts also include a three city pilot project in Nashville, Charlotte and Macon to develop grass-roots arson prevention programs.

Led by Deval L. Patrick, Assistant Attorney General, Civil Rights Division, and James E. Johnson, Assistant Secretary of the Treasury (Enforcement), the NCATF formalized the coordination of investigations already underway. The NCATF brought together the Bureau of Alcohol, Tobacco and Firearms (ATF), the FBI, Justice Department prosecutors, the United States Attorneys, victim/witness coordinators, the Community Relations Service and the U.S. Marshals Service, in partnership with state and local officers and prosecutors.

As a result of this partnership, local task forces have been formed in the affected states, and federal authorities have supported every prosecution. Their efforts have been aided significantly by support from the Congress, which provided additional statutory authority and resources for these investigations.

Well over 200 ATF and FBI investigators have been deployed and are working with over 75 federal prosecutors and state and local authorities. This is one of the largest series of arson investigations in history and the largest current civil rights investigative effort.¹

II. Strengthening the Federal Effort

A. Unifying the Federal Effort

In an investigative effort of this size and scope, coordination among federal agencies and between state and federal law enforcement is essential. To that end, the Attorney General directed U.S. Attorneys either to establish a local task force focusing on church arsons or to join an existing local task force. These local task forces include state and local law enforcement and fire protection officials, as well as representatives of the ATF, FBI, the Community Relations Service and victim/witness coordinators.

The local task forces in North and South Carolina are examples of effective coordination between local and federal authorities. Where local task forces are still being developed, the NCATF co-chairs will continue to work with the U.S. Attorneys and the agencies participating in the Task Force to ensure maximum cooperation and effectiveness.

¹ This Interim Report contains only public information. The fire and arrest statistics in this Report were complete as of January 7, 1997. The investigations are continuing.

In addition to the local task forces, the NCATF has an operations team in Washington staffed by special agents of the ATF and the FBI and prosecutors on detail from the United States Attorney's Offices around the nation and from the Criminal Section of the Civil Rights Division. The director of this operations team is a senior experienced prosecutor. This team works with the local task forces to investigate incidents as well as prosecute cases and analyze potential connections among incidents. Due to the high priority of these matters, many federal cases are prosecuted jointly by an NCATF prosecutor and an Assistant United States Attorney.

The expertise of the FBI in conducting civil rights investigations and the expertise of ATF in conducting arson investigations, particularly in making cause and origin determinations, has proven highly beneficial to the success of the NCATF.

The NCATF has taken the following steps in carrying out its responsibilities:

- **Investigative Protocol.** The NCATF has established a protocol for its investigations and prosecutions. This protocol sets forth procedures for immediately exchanging information among task force agencies, developing an investigative plan for each incident, and ensuring that investigators pursue all lines of inquiry, including whether the crime was motivated by race or religion, and whether any given incident is connected to any other.
- **Unified Database.** The NCATF has created a database of statistical information about ongoing investigations. The ATF and FBI databases and computer systems are also used in Task Force operations to track and analyze evidence about attacks on houses of worship and to generate investigative leads.
- **Training.** In late summer and early fall, the NCATF conducted training among its constituent agencies. ATF experts trained FBI agents and Department of Justice prosecutors in arson investigations. Civil Rights Division prosecutors and FBI experts trained ATF agents in civil rights investigations and prosecutions.
- **Tip Line.** The NCATF established a toll-free tip line for citizens to report information on church arsons. That toll free number is 1-888-ATF-FIRE. To date, NCATF had received more than 1200 calls through that service. The ATF and FBI also are offering rewards for information in a number of arson cases.
- **Threat Assessment Guide.** The NCATF updated and distributed a Church Threat Assessment Guide containing valuable information on the steps that may be taken to prevent fires at houses of worship and the steps to follow after an incident has occurred. Working with FEMA, the Task Force has distributed over 300,000 of these booklets.

B. Outreach

Without the confidence and cooperation of the victim congregations, many of these investigations, which were difficult at the outset, would have been destined to fail. The NCATF took steps early on to ensure a solid, working relationship between law enforcement and the affected communities.

Less than a week after being formalized, the NCATF met with FBI and ATF Special Agents in Charge and U.S. Attorneys from the Southeast region to emphasize the critical importance of pursuing the investigations with vigilance, determination and dispatch, as well as with sensitivity to the needs of the victims.

The President, Vice President Gore, Secretary of the Treasury Robert Rubin and Attorney General Janet Reno have worked to bring church arsons to national attention, speaking out forcefully of the commitment of the Federal government to solve these church arsons and meeting with ministers from the churches burned. Secretary Rubin and Attorney General Reno instructed Assistant Secretary Johnson and Assistant Attorney General Patrick to remain in close contact with the affected communities. In addition to meeting regularly with representatives from the National Council of Churches, the NAACP, the Southern Christian Leadership Conference and the Congressional Black Caucus, Assistant Secretary Johnson and Assistant Attorney General Patrick have both travelled on numerous occasions throughout the South to meet with church and community leaders and to view personally the devastation these arsons have wrought.

The investigators have played a crucial role in outreach efforts. As a student in Enid, Oklahoma, Dewey Webb had helped move pews into the sanctuary of the First Missionary Baptist Church. When he returned as ATF Resident Agent in Charge of the Oklahoma City Field Office, it was to solve a crime, by sifting through the ashes of the burned-out sanctuary. But he was also moved to assure the congregations that his team would proceed with compassion.

Similarly, in Boligee, Alabama, where the burning of three churches led the community to initiate a model of racial reconciliation and community relations, Robert Langford, Special Agent in Charge of the FBI's Birmingham office, met with church leaders, worshiped with the victim congregations and participated in hate crimes seminars. Most importantly, he demonstrated through his actions that his team empathized with the victims and was doing its best to bring those responsible to justice.

The Community Relations Service (CRS) also has been an important partner in Task Force outreach efforts. CRS conciliators have worked in many communities affected by church burnings to identify and resolve racial conflicts and reduce racial tensions, to foster healthy relationships between law enforcement and minority communities and to facilitate communications among all parties. The NCATF also developed and distributed to every ATF and FBI supervisor and U. S. Attorney a "Best Practices" guide for conducting community outreach activities.

C. Working with Congress to Strengthening Statutory Authority and Increase Resources

The support of Congress has been essential in responding to these crimes. When the Task Force was formed, the Federal government had authority under several statutes to investigate and prosecute suspicious fires at houses of worship. They include the Anti-Arson Act of 1982, which makes it a federal crime to use fire to destroy property involved in interstate commerce (18 U.S.C. 844(i)), and criminal civil rights statutes that make it a federal crime to desecrate religious property or a house of worship or to conspire to deprive persons of their civil rights (18 U.S.C. 241 and 247).

On July 3, 1996, the President signed the Church Arson Prevention Act of 1996, which had been sponsored by Senator Edward M. Kennedy (D-MA), Senator Lauch Faircloth (R-NC), Congressman Henry J. Hyde (R-IL) and Congressman John Conyers, Jr. (D-MI). This statute, passed unanimously by both Houses of Congress, amended 18 U.S.C. 247, to strengthen the criminal law against church burning and desecration. The new law removed a cumbersome interstate commerce requirement, eliminated a \$10,000 damage requirement, and increased the maximum sentence to 20 years imprisonment for arson.

The legislation also authorized a HUD loan guarantee program that can be used for church rebuilding, and authorized additional personnel at the Treasury Department and the Justice Department, including the Community Relations Service, to respond to the fires. Assistant Attorney General Patrick and Assistant Secretary Johnson, representing the NCAATF, testified before House and Senate committees in support of this legislation, identifying the need for amending the existing statutory framework.

In August 1996, in a supplemental appropriation for fiscal year 1996, Congress provided \$12.011 million dollars to support ATF's role in the Task Force. In September 1996, Congress appropriated an additional \$12.011 million dollars in ATF's fiscal year 1997 direct funding to support arson investigations, particularly those directed toward religious institutions. Additional funds for Task Force activities by the Justice Department and the FBI were also appropriated or reprogrammed.

III. The Task Force is Producing Results

Scope of the Problem: The NCAATF has opened investigations of 328 arsons, bombings or attempted bombings that have occurred at houses of worship between January 1, 1995, and January 7, 1997. This number does not include vandalism or other desecration at houses of worship, which continue to be investigated and prosecuted by the FBI and the Civil Rights Division. Nor does it include fires that the investigators have determined are accidental.

Of these 328 arson investigations, at least 138 have been fires at African American churches. Three quarters of the fires at African American churches have occurred in the southern United States. Arsons at all houses of worship continue to be reported in significant numbers.

Indeed, the NCATF opened 28 arson investigations of incidents which occurred in October 1996, 24 arson investigations of incidents occurring in November 1996, and 11 investigations of arsons occurring in December 1996.

Arrests: As a result of the exceptional partnership among federal, state and local law enforcement, many of the incidents investigated have been solved, mainly by a combination of federal and state arrests and prosecutions. Since January 1995, arrests of 143 suspects have been made in connection with 107 fires at churches and other houses of worship. This rate of arrest (33%) is significantly higher than the general arrest rate for arsons, which is approximately 16%, according to Department of Justice statistics.

Since the formation of the Task Force, the number of arrests has increased significantly. One hundred and four persons, representing three quarters of all defendants arrested since January 1995, were arrested following the formation of the Task Force.

Of the 143 persons arrested, 24 are African American, 3 are Hispanic and 116 are white. Sixty-two are juveniles. Of the 54 suspects arrested for arsons at African American churches, 36 are white, 17 are African American and 1 is Hispanic. Of the 85 suspects arrested for arsons at non-African American houses of worship, 76 are white, 7 are African American, and 2 are Hispanic. Four additional white suspects have been arrested for arsons at both African American churches and non-African American churches.

Convictions: Since January 1, 1995, 48 defendants have been convicted in federal and state prosecutions in connection with fires at 43 houses of worship. All but two of the remaining cases are still pending trial.² A list of the incidents in which a conviction has been obtained is attached as Appendix 1.³ These successes include the first convictions under the 1996 Church Arson Prevention Act, 18 U.S.C. 247, as amended. Prosecutions in connection with 31 of the 43 incidents have occurred during the seven months since the formation of the Task Force.

Federal charges are pending in a number of cases, and grand jury investigations are ongoing in many others. Conspiracy charges have been filed, and convictions obtained, in a

² There have been two acquittals. On November 21, 1996, a defendant was acquitted by reason of insanity for the June 10, 1996, arson at Our Most Sorrowful Savior Catholic Church in Soap Lake, Washington, and the June 14, 1996, arson at the Community Evangelical Church in Soap Lake, Washington. He was indefinitely committed to the Eastern State Hospital. In October 1996, a 13-year old defendant was acquitted of state arson charges stemming from a fire that caused \$500 in damage to the Slaughterneck United Methodist Church in Milford, Delaware. The fire appeared to have been caused when a pile of leaves was set on fire behind the church. All of the other prosecutions have resulted in convictions or are still pending.

³ The list in Appendix 1 also includes convictions in connection with three incidents of vandalism and a conviction in connection with one arson that occurred in 1994, but where the prosecution occurred in 1995.

number of cases involving small numbers of fires. Investigators continue to pursue the question whether broader conspiracies were responsible for some of the fires.

In still other cases, state prosecutions have been initiated in consultation with federal prosecutors or investigators. The NCATF actively monitors these prosecutions to ensure that any federal interest is vindicated and to ensure that accurate information is compiled regarding law enforcement's response to attacks on houses of worship.

Continuing Workload. Arson cases are among the most difficult criminal cases to solve. Forensic evidence is often destroyed with the fire. Moreover, because some of the churches burned are located in isolated, rural areas, there are often no eye witnesses to the incident. For these reasons, it can often take years to solve arson cases.

In addition, the NCATF has been initiating investigations as new fires have occurred. While the number of reported fires each month appears to have decreased from a peak in June 1996, there have been a substantial number of fires reported in each month since June. (See Appendix 2 for a chart of fires reported by month.) As of January 7, 1997, there were 221 pending investigations where arrests had not been made. The NCATF remains committed to expending the necessary time, resources and effort to solving these crimes and prosecuting those who are responsible.

IV. Enhancing Arson Prevention Efforts.

The NCATF, as part of the federal response to church arson, participates in a coordinated effort to enhance local and state programs to prevent fires at houses of worship and to promote arson awareness generally. The National Arson Prevention Initiative, spearheaded by the Federal Emergency Management Agency (FEMA), has focused on coordinating federal resources to support community-based grass roots efforts to prevent arson.

- **Arson Prevention Clearinghouse.** In June 1996, FEMA established a Clearinghouse for arson prevention resources. To date, the Clearinghouse has received over 10,000 telephone inquiries from all 50 states and the District of Columbia, and responded to requests for over 300,000 packets of arson prevention materials. Included in those materials is the Church Threat Assessment Guide prepared by the NCATF, which informs congregations about steps they can take to make their churches safer, as well as steps to take after an incident has occurred.

- **Grants to local jurisdictions.** The Department of Justice has awarded \$3 million in grants to counties in 13 states to intensify their enforcement and surveillance efforts around vulnerable houses of worship. The 13 states were: Alabama, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia. In addition, FEMA released \$774,000 in training grants to enhance state and local arson investigations and prevention capabilities. These grants have been used to deliver National Fire Academy courses by the state fire training organizations and also to support the training of state and regional arson task forces.
- **Community outreach efforts.** Forty-four VISTA and AmeriCorps volunteers have been assigned to 18 rural communities in which church arsons have occurred and to 73 other communities in Alabama, Georgia, Mississippi, North Carolina, South Carolina and Tennessee. In these communities, volunteers conducted community and church threat assessments, organized arson watch groups and town hall meetings on arson prevention, and engaged in community relations projects.
- **Community healing efforts.** CRS plays an integral part in the Administration's response in local towns and cities, working with over 100 local communities in reducing racial polarization, bridging law enforcement and minority communities, facilitating a biracial rebuilding effort, and training law enforcement on cultural diversity and race relations.
- **Training programs.** The NCATF is working closely with FEMA, the Bureau of Justice Assistance, the National Sheriffs' Association and southern governors to develop a series of interdisciplinary training conferences and workshops on arson prevention that will be conducted in thirteen targeted southern states in 1997. An additional four regional conferences outside the southern region are also planned.
- **Community-based coalitions.** FEMA has developed a pilot community action program for arson prevention in three communities: Nashville, Tennessee, Charlotte, North Carolina, and Macon, Georgia. A coalition of fire prevention personnel, law enforcement, community, school and business leaders will be recruited to develop local arson prevention programs. These can include workshops on juvenile firesetters, an arson risk assessment survey, an arson hot-line, improved building and fire code enforcement and neighborhood watch programs.

V. Rebuilding Efforts

As part of the 1996 Church Arson Prevention Act, the Department of Housing and Urban Development (HUD) is responsible for administering a \$10 million Federal Loan Guarantee Fund to assist with the rebuilding of houses of worship and other non-profit organizations that have been damaged or destroyed by arson.

HUD has forged a strong coalition with the National Council of Churches, the Congress of National Black Churches and other organizations to assess the overall arson damage and to target resources to these houses of worship as quickly as possible. As a result of this cooperation, ten churches have been rebuilt and thirty more are under construction.

The National Rebuilding Initiative will be awarding "rebuilding resource packages" to 79 churches in 18 states in the form of grants from the National Council of Churches, federally guaranteed loans, and volunteer labor and in-kind materials. Of these 79 churches, 13 are eligible for a HUD loan, 20 have received or are eligible for a National Council of Churches grant, and 46 are eligible for a blended resource package of a grant and loan.

VI. Preliminary Conclusions

After a series of fires around the time of the Martin Luther King Jr. holiday in 1996, federal authorities began to focus on the sharp increase in attacks on churches, particularly African American churches in the South. An evaluation of the pattern of church fires in the South prompted the conclusion that closer coordination between federal and local law enforcement was necessary.

The significance of the problem also prompted the Federal government to increase substantially the resources devoted to addressing it. This increased effort devoted to investigating and solving these crimes has borne fruit, in terms of arrests and convictions, coordination between federal and local law enforcement, and the investigation of racial motivations involved in these crimes.

The number and proportion of fires at African American churches have raised the possibility of racial hostility as a motive. Indeed, nine defendants have been convicted of federal civil rights charges in connections with six fires in Nevada, Tennessee and South Carolina. To date, the investigations have revealed a range of motives, from blatant racism and religious hatred to financial profit, to personal revenge or vandalism.

There is still much work to be done, however, before charges are filed in other cases. NCATF can then speak to the motivation behind other fires at churches and other houses of worship in the last two years. While it was the number of fires at African American churches that brought these crimes to national attention, the NCATF will continue to investigate and prosecute attacks on all houses of worship, regardless of their denomination or racial composition.

Burning a church, whether racially motivated or not, implicates federal anti-arson and civil rights laws and warrants swift and certain investigation and prosecution. The work of the NCATF continues to be vital to our efforts to prevent these heinous crimes, and to prosecute those responsible, whether they are motivated by racial hostility, religious bigotry, financial profit, revenge, or simply a desire to burn down a symbol of authority in the community. The commitment of resources and attention to this work by federal, state and local authorities has been essential to the success of the Task Force, and the Task Force remains dedicated to solving these crimes and bringing the perpetrators to justice.

Acknowledgement

The co-chairs of the Task Force would like to thank all of the investigators, prosecutors and others who have worked tirelessly and so well in responding to the Nation's crisis and the President's call.

Respectfully submitted,

James E. Johnson
Assistant Secretary
Department of the Treasury

Deval L. Patrick
Assistant Attorney General
Department of Justice

TREASURY CLEARANCE SHEET

NO. _____
Date 1/13/97

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: Assistant Secretary Johnson

THROUGH: _____

SUBJECT: National Church Arson Task Force (Report)

REVIEW OFFICES (Check when office clears)

- Under Secretary for Finance
 - Domestic Finance
 - Economic Policy
 - Fiscal
 - FMS
 - Public Debt

- Under Secretary for International Affairs
 - International Affairs

- Enforcement
 - ATF
 - Customs
 - FLETC
 - Secret Service
 - General Counsel
 - Inspector General
 - IRS
 - Legislative Affairs
 - Management
 - OCC

- Policy Management
 - Scheduling
 - Public Affairs/Liaison
 - Tax Policy
 - Treasurer
 - E & P
 - Mint
 - Savings Bonds
 - Other _____

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
REVIEWERS				
Kelly			US (Enforcement)	622-0240
Browne			Chief of Staff (Enfore.)	622-1354
Forman	WF	1/13/97	Chief of Staff (Secy.)	622-1906
Knight			General Counsel	622-0287
Robertson			AS (Legislative Affairs)	622-1900
Schloss			AS (Public Affairs)	622-2910
Dreyer			Senior Adviser (Secy.)	622-0385

SPECIAL INSTRUCTIONS

Please review and provide comments (FINAL CLEARANCE) to Assistant Secretary Johnson by 2:00 p.m. today (Monday, January 13, 1997) (4316 MT/622-0200).

Review Officer

Date

Executive Secretary

Date

TREASURY CLEARANCE SHEET

NO. _____
Date 1/13/97

*CBC
House
Secrets
Judicial*

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: Assistant Secretary Johnson

THROUGH: _____

SUBJECT: National Church Arson Task Force (Report)

REVIEW OFFICES (Check when office clears)

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| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
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| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for International Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| | <input type="checkbox"/> Legislative Affairs | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Management | |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
REVIEWERS				
Kelly			US (Enforcement)	622-0240
Browne			Chief of Staff (Enfore.)	622-1354
Forman			Chief of Staff (Secy.)	622-1906
Knight			General Counsel	622-0287
Robertson			AS (Legislative Affairs)	622-1900
Schloss			AS (Public Affairs)	622-2910
Dreyer			Senior Adviser (Secy.)	622-0385
Cameron	AC		Senior Legis Special	2-1940

SPECIAL INSTRUCTIONS

Please review and provide comments (FINAL CLEARANCE) to Assistant Secretary Johnson by 2:00 p.m. today (Monday, January 13, 1997) (4316 MT/622-0200).

Review Officer _____ Date _____ Executive Secretary _____ Date _____

TREASURY CLEARANCE SHEET

NO. _____
Date 1/13/97

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: Assistant Secretary Johnson

THROUGH: _____

SUBJECT: National Church Arson Task Force (Report)

REVIEW OFFICES (Check when office clears)

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| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
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| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for International Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
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| | <input type="checkbox"/> Management | |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATORS)				
REVIEWERS				
Kelly			US (Enforcement)	622-0240
Browne			Chief of Staff (Enfore.)	622-1354
Forman			Chief of Staff (Secy.)	622-1906
Knight			General Counsel	622-0287
Robertson			AS (Legislative Affairs)	622-1900
Schloss	<i>H. Schloss</i>	<i>1/13/97</i>	AS (Public Affairs)	622-2910
Dreyer			Senior Adviser (Secy.)	622-0385

SPECIAL INSTRUCTIONS

Please review and provide comments (FINAL CLEARANCE) to Assistant Secretary Johnson by 2:00 p.m. today (Monday, January 13, 1997) (4316 MT/622-0200).

Review Officer _____ Date _____ Executive Secretary _____ Date _____

TREASURY CLEARANCE SHEET

NO. _____
Date 1/10/97

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: Assistant Secretary Johnson
 THROUGH: _____
 SUBJECT: National Church Arson Task Force Status Report

REVIEW OFFICES (Check when office clears)

- | | | |
|--|--|---|
| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for International Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| | <input type="checkbox"/> Legislative Affairs | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Management | |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
REVIEWERS				
Kelly			US (Enforcement)	2-0240
Bresee			DAS (Enforcement)	2-0470
Browne			Chief of Staff (Enfore.)	2-1354
Dreyer	<i>JD</i>		Senior Adviser (Secretary)	2-0385
Medina			Director (Enforcement)	2-1483
Peacock			Public Affairs	2-2016
Schloss			AS (Public Affairs)	2-2910
Froman			Chief of Staff (Secretary)	2-1906

SPECIAL INSTRUCTIONS

Please review and provide comments to James Johnson by 7:00 p.m., today, Friday, January 10, 1997 (Room 4316/622-0200).

Review Officer _____ Date _____ Executive Secretary _____ Date _____

TREASURY CLEARANCE SHEET

NO. _____
Date 1/10/97

MEMORANDUM FOR: SECRETARY DEPUTY SECRETARY EXECUTIVE SECRETARY
 ACTION BRIEFING INFORMATION LEGISLATION
 PRESS RELEASE PUBLICATION REGULATION SPEECH
 TESTIMONY OTHER _____

FROM: Assistant Secretary Johnson

THROUGH: _____

SUBJECT: National Church Arson Task Force Status Report

REVIEW OFFICES (Check when office clears)

- | | | |
|--|--|---|
| <input type="checkbox"/> Under Secretary for Finance | <input type="checkbox"/> Enforcement | <input type="checkbox"/> Policy Management |
| <input type="checkbox"/> Domestic Finance | <input type="checkbox"/> ATF | <input type="checkbox"/> Scheduling |
| <input type="checkbox"/> Economic Policy | <input type="checkbox"/> Customs | <input type="checkbox"/> Public Affairs/Liaison |
| <input type="checkbox"/> Fiscal | <input type="checkbox"/> FLETC | <input type="checkbox"/> Tax Policy |
| <input type="checkbox"/> FMS | <input type="checkbox"/> Secret Service | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Public Debt | <input type="checkbox"/> General Counsel | <input type="checkbox"/> E & P |
| <input type="checkbox"/> Under Secretary for International Affairs | <input type="checkbox"/> Inspector General | <input type="checkbox"/> Mint |
| <input type="checkbox"/> International Affairs | <input type="checkbox"/> IRS | <input type="checkbox"/> Savings Bonds |
| | <input type="checkbox"/> Legislative Affairs | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Management | |
| | <input type="checkbox"/> OCC | |

NAME (Please Type)	INITIAL	DATE	OFFICE	TEL. NO.
INITIATOR(S)				
REVIEWERS				
Kelly			US (Enforcement)	2-0240
Bresee			DAS (Enforcement)	2-0470
Brown			Chief of Staff (Enfore.)	2-1354
Dreyer			Senior Adviser (Secretary)	2-0385
Medina			Director (Enforcement)	2-1483
Peacock			Public Affairs	2-2016
Schloss			AS (Public Affairs)	2-2910
Froman			Chief of Staff (Secretary)	2-1906
<i>KNIGHT</i>	<i>ESK</i>	<i>1/10/97</i>		
<i>Nye</i>	<i>JN</i>	<i>1/13/97</i>		

SPECIAL INSTRUCTIONS

Please review and provide comments to James Johnson by 7:00 p.m., today, Friday, January 10, 1997 (Room 4316/622-0200).

Review Officer _____ Date _____ Executive Secretary _____ Date _____