The original documents are located in Box 44, folder "President - Campaign Executive Branch Officials Participation (5)" of the Philip Buchen Files at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE WASHINGTON

March 12, 1976

TO:

JOHN MARSH

FROM:

EVA DAUGHTREY

The attached memo arrived too late for Mr. Buchen to bring to the Senior Staff meeting.

He wanted it sent to you -- in case you would like to let the President know.



THE WHITE HOUSE

WASHINGTON

March 12, 1976

MEMORANDUM FOR:

PHIL BUCHEN

FROM:

KEN LAZARUS

SUBJECT:

The Senate Passage of H.R. 8617,

the Hatch Act Amendments

Yesterday, by a vote of 47 to 32, the Senate passed the Federal Employees Political Activities Act of 1976. Although we were successful in defeating the Clark Amendment which would have brought White House staff within the purview of the Hatch Act, as amended, the Senate version of H.R. 8617 is generally no more acceptable to the President than the version passed by the House in October of 1975.

A Federal employees pay act amendment offered by Senator Allen and accepted by the Senate as an amendment to H.R. 8617 will insure that the bill will now go to conference. Had this amendment not been offered and accepted, it was likely that the amendments added by the Senate would have been promptly accepted by the House and the measure sent on to the President before the end of the month.

With the additional time allowed by the necessity of a conference on this bill, it would be desirable to fashion a series of Presidential actions, e.g., a letter of concern from the President to the members of the Conference Committee and a meeting with Mr. Nathan Wolkomir, President of the National Federation of Federal Employees (and opposed to the bill), in order to lay a footing for an anticipated veto. As I mentioned in a previous memo to you on this subject, prospects for sustaining a veto in the House are fair. By virtue of yesterday's votes in the Senate, I anticipate that there will be little difficulty in sustaining a veto there.

[July 1976?]

D R A F T THE WHITE HOUSE WASHINGTON

MEMORANDUM FOR THE CABINET

SUBJECT: Guidelines in Connection with the 1976 Election Campaign

On January 7, 1976, I sent members of the Cabinet and others a memorandum on the same subject. At this time, the President has asked me to reaffirm the guidance provided by that memorandum and to set forth additional principles which specifically should be applied in regard to delegates (and alternates) to the upcoming Republican National Convention.

Every opportunity may be afforded the delegates to become fully acquainted with the President's record and his opinion and policies on issues of concern to them, but no official action or stand on the part of anyone in the Administration shall be offered, promised or provided as consideration, favor or reward for the support of delegates to benefit the President's candidacy.

In the event a delegate has an interest in the outcome of a pending or prospective procedure for employment, contract, grant, benefit or relief from the Federal

Government, no intervention with those officials who are responsible for determining the results shall be made by anyone on behalf of the President to control or affect the results of that procedure as a means to influence the votes or activities of the delegate.

This restriction is not intended to preclude requested inquiries and reports on the status of pending procedures, but these should be handled in the same manner as they would for any other concerned citizen and without affecting the results of the procedures.

Delegates may be informed of all the reasons why selection of the President to be the nominee of the Republican Party is in the best interest of the nation, but no offer or promise shall be made to delegates that an appointment to office or other benefit can be obtained from the Federal Government for any particular person as a consequence of the votes or activities of such delegates in the convention.

James E. Connor SECRETARY OF THE CABINET

THE WHITE HOUSE WASHINGTON

Phone

January 7, 1976

MEMORANDUM FOR

THE CABINET

SUBJECT:

Guidelines in Connection with the 1976. Election Campaign

Following are guidelines to be followed by all members of the Cabinet, as well as other appropriate Federal officials, in connection with their participation in the 1976 Federal elections. These guidelines are based upon relevant statutory prohibitions, Executive Orders, rulings and proposed regulations by the Federal Election Commission.

I. GENERAL PROHIBITIONS

The following restrictions on particular political activities apply to all Federal employees:

- A. Federal law prohibits the solicitation or receipt of political contributions by a Federal official or employee from any other Federal official or employee.
- B. Federal law prohibits solicitation or receipt of political contributions on Federal property.
 - In the event that campaign contributions are received either from such persons or on Federal property, such contributions must be promptly returned with an appropriate explanation.
- C. Federal law prohibits any direct or indirect promise of appointment, employment, contract, or special consideration for a governmental benefit as a consideration, favor or reward for political activity or support to a candidate or political party.

D. Appropriated funds may not be used to conduct or support political activities on behalf of a candidate or political party.

II. HATCH ACT RESTRICTIONS

- A. The Hatch Act prohibits all persons subject to its provisions from participating or engaging in any political campaign activity, either State or Federal, on behalf of any candidate or political party. In general, the heads of the Executive or Military Departments, other officials appointed by the President subject to Senate confirmation, and employees paid by the White House Office or the Vice President's Office, are exempt from the Hatch Act restrictions. Other Federal employees, including NEA and Schedule C employees, are subject to the Act; and the Act applies to them even outside of working hours and while they are on leave status.
- B. "Hatched" employees may not assist in writing political speeches, and may not be utilized in advancing, conducting or managing a political event or a candidate-related activity. PFC personnel will be available to assist you in connection with any such political activity. This restriction does not apply to regular security personnel present for the protection of the participating official or to aides making advance arrangements, unrelated to the event itself, for official travel and activities. Although "Hatched" employees may assist the official in going to and from a political event, they must not take an active role or participate in the event itself.

III. PERMISSIBLE POLITICAL ACTIVITIES

Following are guidelines for permissible political activities on behalf of the President or the Republican Party by Cabinet members and other officials not subject to the Hatch Act:

A. Although final allocation regulations will not be available from the Federal Election Commission

until later in January, the Commission has informally indicated its approval of an allocation formula which apportions travel expenses on mixed official and political trips based upon the relative periods of time spent on the two kinds of activities. Accordingly, accurate records should be kept which distinguish all time spent and direct expenses incurred for political events from the time and expenses incurred for official business. Such records should then be sent to the PFC for allocation of expenses on the basis of the relative periods of time spent on political and bona fide official activities. More specific guidelines will be provided once the final allocation regulations are available from the Federal Election Commission.

- B. Permissible political activities include serving as speaker, honored guest or sponsor for fundraising or other political events. However, the participating government official should not accept contributions for the President, but should direct the contributor to a PFC fundraising official. In connection with particular events, the PFC will avoid singling out for campaign support special interest groups or organizations which are immediately concerned with the functions of the department or agency represented by the government official appearing at the event.
- C. As a general rule, speeches before non-partisan groups, such as a trade, labor, or professional association, are official in nature. Each member of the Administration should insure that official activities and other non-political functions are not and do not appear to involve political activities for the benefit of or on behalf of any Federal candidate. If candidate-related activities, including extemporaneous remarks, are engaged in during an official trip, the Federal election campaign laws may require that a portion of the expenses incurred for such trip shall be attributed to the candidate and counted against the candidate's spending limits.

However, this requirement does not preclude full, fair and open discussion of national issues, current conditions and trends, and existing or proposed administrative or legislative programs which are within the expertise of the speaker.

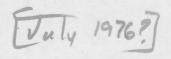
What it does preclude is advocacy of a candidate for Federal office or making partisan political comment about a candidate or political party.

Questions regarding the above guidelines or the legality or propriety of any mixed official-political activity should be directed to the Office of the Counsel to the President. Advice regarding the conduct of the campaign itself under the new Federal election campaign laws should be sought from the General Counsel to the President Ford Committee.

JAMES E. CONNOR SECRETARY TO THE CABINET



THE WHITE HOUSE



MEMORANDUM FOR THE CABINET

SUBJECT:

Guidelines in Connection with the 1976 Election Campaign

On January 7, 1976, I sent members of the Cabinet and others a memorandum on the same subject. At this time, the President has asked me to reaffirm the guidance provided by that memorandum and to set forth additional principles which specifically should be applied in regard to delegates (and alternates) to the upcoming Republican National Convention.

Every opportunity may be afforded the delegates to become fully acquainted with the President's record and his opinion and policies on issues of concern to them, but no official action or stand on the part of anyone in the Administration shall be offered, promised or provided as consideration, favor or reward for the support of delegates to benefit the President's candidacy.

In the event a delegate has an interest in the outcome of a pending or prospective procedure for employment, contract, grant, benefit or relief from the Federal

Government, no intervention with those officials who are responsible for determining the results shall be made by anyone on behalf of the President to control or affect the results of that procedure as a means to influence the votes or activities of the delegate.

This restriction is not intended to preclude requested inquiries and reports on the status of pending procedures, but these should be handled in the same manner as they would for any other concerned citizen and without affecting the results of the procedures.

Delegates may be informed of all the reasons why selection of the President to be the nominee of the Republican Party is in the best interest of the nation, but no offer or promise shall be made to delegates that an appointment to office or other benefit can be obtained from the Federal Government for any particular person as a consequence of the votes or activities of such delegates in the convention.

James E. Connor SECRETARY OF THE CABINET The Honorable Vernon W. Thompson Chairman, The Federal Election Commission 1325 K. Street, N.W. Washington, D. C.

Dear Mr. Chairman:

On March 12, 1976, Citizens for Reagan sent a letter to the Commission calling for "an immediate investigation" of Secretary Kissinger's political activities on behalf of the Ford campaign. We hoped the Commission would look into the broad question of "the use of government powers for clearly partisan campaign purposes." We viewed this problem as "the greatest danger facing the current election laws," and therefore, urged the Commission to "act on this matter immediately."

On May 13, 1976, the Public Citizen Litigation Group filed a Memorandum of Law with the Commission supporting the legal basis of our request. Since that date, more and more questionable uses of the power of the incumbency and the resources of government by the Ford administration have come to our attention. We feel that these actions endanger our free political system and raise the spector of the abuses that the new election law was supposed to prevent.

We have noted numerous cases of Ford White House staff who are listed as reimbursed only for campaign travel on the Ford Committee reports. Does this mean that their efforts and services can be used with impunity to promote Mr. Ford's election campaign while the taxpayer picks up the tab? Are these in-kind contributions of staff time allowed to escape all

financial disclosure and remain unfettered by the contribution and expenditure limitations that bind all other presidential candidates?

Apparently, the Ford Committee has been fianncing much of this travel via government credit. While our Committee has paid in advance over \$800,000 for our candidate's chartered airplanes, the Ford Committee reports a much lower rate of payment for their campaign travel (less than \$100,000 for Air Force One travel to date and helicopter charges as low as \$11.54 per trip); and these were billed on a credit basis providing immeasurable assistance to his campaign during the period when matching funds were not available. It would appear from the record that while White House political press travel is financed by the government and uses government employees for arrangements, the other candidates must finance for as long as three months their press travel expenses and hire employees to plan and coordinate the trips. Only limited reimbursements for extensive campaign travel by various cabinet officials and holders of high administrative positions are apparent on the Ford Committee's Given the unusually low charges for White House travel when compared to other campaigns, full disclosure of all political travel by the First Family should be required to give an equitable measure of benefits.

As the campaign spending limits close in on all the candidates campaigns, the potential of government "fringe benefits" available to an incumber president become even more significant and must be carefully monitored by the Federal Election Commission to insure that the spirit and the letter of the Federal election law is carried out. The spending limitation would otherwise be grossly unfair under our system. This is especially amplified in the setting of this campaign which is so close that virtually all political commentators agree it is too close to call.

On Wednesday of this week, our Committee delivered the attached letter (Appendix A) to the Chairman of the

Republican National Committee. It was motivated by what to us is not only a abuse, but by what is an outrageous political advantage in a contest where even a slight political advantage might be critical.

On the basis of the public record, it appears that the Ford Campaign is contemplating the lavish use of White House personnel and resources at the Republican National Convention in Kansas City. The White House above and beyond the Ford Committee has been allocated 288 rooms and 450 Gallery passes to the Convention. In other words, it would appear that the White House is planning to bring almost three times the number of personnel to Kansas City as the amount that they are officially planning to report under their Ford Committee budget.

In running against an incumber one must expect to run against the normal advantages of the incumbency; the promise of Federal projects, contracts and benefits, the distribution of Federal appointments and jobs in primary states immediately before the election, and the ability to use White House dinners and facilities to woo party officials and delegates. We make no complaints about these practices; good, bad, legal or questionable, they are all part of a long established game. However, we must draw the line somewhere. The White House staff, paid by the taxpayers, is lavishly used as an adjunct to the Ford Committee. This is improper in the worst sense. This strikes at the heart of fair elections. When the President can travel via government means for the entire campaign at a cost that would not total two full weeks outlay for air travel for other candidates and do it on credit, something is very wrong.

We are hoping the Commission would realize the seriousness of these facts and the urgency of doing something in light of the approaching Republican National Convention, now only six weeks away. So far, to our knowledge, nothing has been done. I, therefore,

respectfully request a special and public Commission meeting to deal with this problem during the week of July 6 through 9, 1976. This meeting should be public since the over-riding question is one of basic legal principle. Does an incumbent have a legal right to use staff and the resources of his public office to promote his campaign? Do such uses constitute contributions and expenditures which must be disclosed? Once these legal questions are resolved, we understand that the normal executive session compliance procedures are mandated.

If the Commission choses not to act, such refusal constitutes a denial of any relief to our Committee. Additionally, if the Commission takes no action, then we must assume it has chosen to exercise its exclusive primary jurisdiction under 2 U.S.C. §437c(b)(l) in a negative way. In virw of the critically short time, our remedy must then be left to the judiciary.

Sincerely,

Loren A. Smith

cc: All Federal Election Commissioners
Mary Louise Smith, Chairman
Republican National Committee

DRAFT

7/8/76 Cy given to Cannon Barry gave Connor a cy.

MEMORANDUM FOR

THE CABINET

SUBJECT:

Guidelines in Connection with the 1976 Election Campaign

On January 7, 1976, I sent members of the Cabinet and others a memorandum on the same subject. At this time, the President has asked me to reaffirm the guidance provided by that memorandum and to set forth additional principles which specifically should be applied in regard to delegates (and alternates) to the upcoming Republican National Convention and in regard to your of fendance of the Convention

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In connection with the attendance of various members of the Cabinet at the 1976 Republican National Convention, care must be taken to assure that appropriated funds are not used to conduct or support political activities on behalf of a candidate or a political party.



While some of you may require that members of your staff accompany you to the Convention to assist you in carrying out your official duties, it is necessary that the use of such personnel be strictly limited. Due to questions of appearance and the limited availability of hotel accommodations in Kansas City, it is requested that you plan to take not more than one such staff member with you, exclusive of authorized security personnel. In the case of staff members who are subject to the Hatch Act, they are prohibited by law from participating or engaging in any political campaign activity.

Rogers Morton has designated Stanton Anderson to coordinate Convention activities for the President Ford Committee. Any questions in this regard should be directed to Stan at 457-6479.

Your assistance is appreciated.

JAMES E. CONNOR Secretary for the Cabinet



THE WHITE HOUSE

Plantes

January 7, 1976

MEMORANDUM FOR

THE CABINET

SUBJECT:

Guidelines in Connection with the 1976. Election Campaign

Following are guidelines to be followed by all members of the Cabinet, as well as other appropriate Federal officials, in connection with their participation in the 1976 Federal elections. These guidelines are based upon relevant statutory prohibitions, Executive Orders, rulings and proposed regulations by the Federal Election Commission.

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- G. As a general rule, speeches before non-partisan groups, such as a trade, labor, or professional association, are official in nature. Each member of the Administration should insure that official activities and other non-political functions are not and do not appear to involve political activities for the benefit of or on behalf of any Federal candidate. If candidate-related activities, including extemporaneous remarks, are engaged in during an official trip, the Federal election campaign laws may require that a portion of the expenses incurred for such trip shall be attributed to the candidate and counted against the candidate's spending limits.



However, this requirement does not preclude full, fair and open discussion of national issues, current conditions and trends, and existing or proposed administrative or legislative programs which are within the expertise of the speaker. What it does preclude is advocacy of a candidate for Federal office or making partisan political comment about a candidate or political party.

Questions regarding the above guidelines or the legality or propriety of any mixed official-political activity should be directed to the Office of the Counsel to the President. Advice regarding the conduct of the campaign itself under the new Federal election campaign laws should be sought from the General Counsel to the President Ford Committee.

JAMES E. CONNOR SECRETARY TO THE CABINET



General Coursel

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAR 2 - 1976

MEMORANDUM FOR:

PHIL BUCHEN

FROM:

JIMILYNN

This responds to your request for comments on the attached memorandum concerning standards of conduct.

I think the memorandum is fine but agree that it needs some editorial comment. I suggest insertion of the following paragraph on the first page following the material quoted from Executive Order 11222:

As we enter a Presidential election year, it is especially important to assure that the conduct of government business is beyond reproach. Officials in your departments should be aware of the employee standards of conduct and specific statutory prohibitions that are applicable to such conduct in the awarding of governmental contracts, grants and loans. The purpose of this memorandum is to provide a central listing of the various prohibitions under which each of your Departments has been governed in this area.



RECEIVED

THE WHITE HOUSE

TEB 12 11 39 AN '76

WASHINGTON

OFFICEOF

February 11, 1976

MANAGEMENT & BUDGET

MEMORANDUM FOR:

JIM LYNN

FROM:

PHIL BUCHEN

Please give your comments on this initial draft of the memorandum we discussed. I had thought of adding to this straightforward compilation of the applicable rules and statutes some editorial comment that might avoid a tendency to policies which are unnecessarily apolitical or as a matter of precaution favor interests of a party not in control of the Executive branch. However, I am at a loss to come up with language that could not be misconstrued.

> DIRECTOR'S CORRESPONDENCE

Action to:	ichols 1/2
Heply factor Control hor	Dus Date:
0332	2-26
Info Copies:	



THE WHITE HOUSE

MEMORANDUM FOR

THE CABINET

SUBJECT:

Standards of Conduct and Statutory
Prohibitions Involved in Governmental
Contract, Grant and Loan Decisions

This memorandum summarizes employee standards of conduct and specific statutory prohibitions that are applicable to such conduct in the awarding of governmental contracts, grants and loans. It provides a central listing of the various prohibitions under which each of your Departments has been governed in this area.

Executive Order 11222 prescribes standards of ethical conduct for government officers and employees. Section 201(c) of the E.O. directs Federal employees to avoid any action "which might result in, or create the appearance of:

- (1) using public office for private gain;
- (2) giving preferential treatment to any organization or person;
- (3) impeding government efficiency or economy;
- (4) losing complete independence or impartiality of action;
- (5) making a government decision outside official channels; or
- (6) affecting adversely the confidence of the public in the integrity of the Government."

Below is a description of each of the relevant statutory prohibitions:

18 U.S.C. 8 201 prohibits the seeking or acceptance of bribes by public officials. Section 201(c) specifically prohibits any public official or person selected to be a public official from corruptly seeking or accepting anything of value for himself or herself or for any other person or entity, in return for:



- "(1) being influenced in his [or her] performance of any official act; or
- "(2) being influenced to commit or aid in committing, or to collude in, or allow, any fraud, on the United States; or
- "(3) being induced to do or omit to do any act in violation of his [or her] official duty."

Section 201(g) specifically prohibits any present or former public official or any person selected to be a public official from seeking or accepting anything of value for himself or herself "for or because of any official act performed by him [or her] or to be performed" by him or her.

- 18 U.S.C. § 595 prohibits any Federal, state or local employee from using his or her official authority derived from Federal loan or grant programs to interfere with any Federal election. It shall be unlawful for the above-mentioned employee
 - ". . . in connection with any activity which is financed in whole or in part by loans or grants made by the United States, or any department or agency thereof, . . . [to use his or her] official authority for the purpose of interfering with, or affecting, the nomination or the election of any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, Member of the House of Representatives, Delegate from the District of Columbia, or Resident Commissioner, . . ."
- 18 U.S.C. § 598 prohibits voting coercion by means of relief appropriations. This provision makes it illegal for a person to use any part of any appropriation made by Congress for "work relief, relief, or for increasing employment by providing loans and grants for public works projects," or to exercise or administer any authority conferred by any appropriation act "for the purpose of interfering with, restraining, or coercing any individual in the exercise of his [or her] rights to vote at any election."

- 18 U.S.C. § 600 prohibits the promise of a contract, employment, appointment or compensation in exchange for political support. It shall be unlawful for a person to promise
 - ". . . any employment, position, compensation, contract, appointment, or other benefit, provided for or made possible in whole or in part by any Act of Congress, or any special consideration in obtaining any such benefit, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in connection with any general or special election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, . . . "
- 18 U.S.C. § 601 prohibits the deprivation of employment or other benefit under work relief or relief programs because of political activity. It shall be unlawful for a person to deprive, attempt to deprive, or threaten to deprive
 - ". . . any person of any employment, position, work, compensation, or other benefit provided for or made possible by any Act of Congress appropriating funds for work relief or relief purposes, on account of race, creed, color or any political activity, support of or opposition to any candidate or any political party in any election, . . ."
- 18 U.S.C. § 611 prohibits political contributions by Federal government contractors or contractors in the process of negotiating a government contract, and prohibits the solicitation of such contributions by government officials or other persons. It shall be unlawful for any person who is
 - ". . . entering into any contract with the United
 States or any department or agency thereof either
 for the rendition of personal services or furnishing

any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (1) the completion of performance under, or (2) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land or buildings, . . . [to directly or indirectly make] any contribution of money or other thing of value, or . . . [to promise] expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; . . . " and

it shall be unlawful for any person to knowingly solicit any such contribution.



MEMORANDUM

ALLOCATION OF CAMPAIGN EXPENSES - ADVOCATES

The Federal Election Commission (FEC) recently issued its proposed regulations for the allocation of campaign expenses. The PFC intends to abide by and follow the Commission's recommendations in this area. Accordingly, set forth below are the pertinent provisions of the regulations with comment and example, where relevant:

§107.5 ALLOCATION OF EXPENSE BETWEEN CAMPAIGN AND NON-CAMPAIGN-RELATED TRAVEL

- "(a) All expenditures for campaign-related travel paid for by a candidate from a campaign account or by his or her authorized committee or by any other political committee shall be reported.
- (b) (1) Travel expenditures paid for by a candidate from personal funds, or from a source other than a political committee, shall constitute reportable expenditures if the travel is campaign-related.
- (2) Where a <u>candidate's</u> trip involves both campaign-related and non-campaign-related stops, the expenditure allocable for campaign purposes are reportable, and are calculated on the <u>actual</u> cost-per-mile of the means of transportation actually used, starting at the point of origin of the trip, via every campaign-related stop and ending at the point of origin.
- (3) Where a <u>candidate</u> conducts any campaign-related activity in a stop, the stop is a campaign-related stop and travel expenditures made are reportable. Campaign-related activity shall not include incidental contacts.
- (c) (l) Where an individual, other than a candidate, conducts campaign-related activities on a trip, that portion of the trip attributed to each candidate shall be allocated on a reasonable basis.
- (2) Travel expenses of a candidate's spouse and family are reportable as expenditures only if the spouse or family members conduct campaign-related activities.





(e) Notwithstanding (2) above, the reportable expenditure for a candidate who uses government conveyance or accommodations for travel which is campaign-related is the rate for comparable commercial conveyancy or accommodation. In the case of a candidate authorized by law or required by national security to be accompanied by staff and equipment, the allocable expenditures are the costs of facilities sufficient to accommodate the party, less authorized or required personnel and equipment. If such a trip includes both campaign and non-campaign stops, equivalent costs are calculated in accordance with paragraphs (b) and (c) above." (Emphasis added).

Emphasis should be placed on the following aspects of this provision:

I. ALLOCATION OF EXPENSES FOR THE PRESIDENT

A. General Rule

When the President conducts any campaign-related activity at a stop, the stop is considered campaign-related and all expenditures must be reported and are attributed to the respective PFC expenditure limitation.

(1) Incidental political contacts are not considered campaign-related activity (e.g. small, unpublicized political meetings).

B. Transportation Expenses

- (1) Interstate transportation expenses for the President which involve both campaign-related and official activity are attributed to the PFC's national expenditure limitation based on the cost-per-mile for comparable commercial transportation or a pro rata share of the Air Force One expenses starting at the point of origin of the trip, via every campaign-related stop, and ending at the point of origin.
- (2) All intrastate transportation expenses by the President should be attributed to the individual state's expenditure limitation.

C. Additional Expenses

(1) All other expenses by the President must be attributed to the individual state's expenditure limitation.



II. INDIVIDUALS OTHER THAN THE PRESIDENT

A. General Rule

Individuals other than the President (e.g., advocates) who conduct both campaign-related and non-campaign-related activity at a stop must reasonably allocate their expenses on the basis of the time they spend at campaign-related activity or some other manner of reasonable allocation.

B. Transportation Expenses

- (1) Interstate transportation expenses by individuals other than the President which involve only campaign-related activity must be attributed in toto to the PFC national expenditure limitation.
- (2) Interstate transportation expenses by individuals other than the Presidnet which involve both campaign-related and non-campaign-related activity must be reasonably all cated so that a portion of the expenses are attributed to the PFC national expenditure limitation.
- (3) Intrastate transportation expenses by individuals other than the President which involve only campaign-related activity must be attributed in toto to the specific state's expenditure limitation.
- (4) Intrastate transportation expenses by individuals other than the President which involve both campaign-related and non-campaign-related activity must be reasonably allocated so that a portion of the expenses are attributed to the specific state's expenditure limitation.

C. Additional Expenses

(1) All other campaign-related expenses by individuals other than the President must be attributed to the individual state's expenditure limitation.

III. EXAMPLE OF ALLOCATION OF INTERSTATE TRAVEL EXPENSES

An advocate appears in Los Angeles as a speaker at an official Chamber of Commerce dinner. He also represents the President Ford Committee at a fundraising breakfast in San Francisco the next day. Cumulatively, the advocate spends twenty-four hours away from Washington, D. C., participating in both official and PFC activities. The flight takes four hours from Washington, D. C. to Los Angeles; another one hour



is spent in flight from Los Angeles to San Francisco, and four hours returning to Washington, D. C. Ten hours are spent in Los Angeles on official business at the Chamber of Commerce dinner and with local officials. Five hours are spent in San Francisco at the PFC fundraiser. The total cost of the trip for the advocate is \$1,000 which includes the cost of transportation, meals and a room in Los Angeles. Under the aforementioned FEC regulations, a reasonable portion of this trip's expenses must be attributed to the President Ford Committee's national and state expenditure limitations. The following allocations would be appropriate:

A. 1. Official

b. Cost of meals and room in L.A. 75		
c. Cost of ground transportation 25		
Subtotal	\$	700
2. PFC		
a. National Expenditure Limitation		
(1) Difference between L.A. to D.C. and S.F. to D.C. \$ 80		
b. California Expenditure Limitation		
(1) Cost of airfare L.A. to S.F. 120		
(2) Ground costs in S.F. 100		
Subtotal		300
TOTAL	\$1,(000
B. 1. Total costs	\$1,(000
 Percentage of total time devoted to political activities (i.e. 5/24) 		21%
 Total costs attributed to political activities 	\$.2	210
4. Total costs attributed to official activities	\$ 7	790

C. Procedures for Payment and Reimbursement

If the primary purpose of a mixed official/political trip is official (i.e., greater than 50% of the advocates time to be devoted to official activities), the appropriate agency should submit a TR in the normal manner for processing. Following the trip, the PFC should be advised of the relative time spent on political activities and the actual costs involved. The PFC will promptly determine the appropriate allocation and reimburse the Government as directed.

If the primary purpose of such a trip is political, the PFC will arrange for appropriate tickets in advance and reimburse the advocate for any additional expenses he may incur.



MEMORANDUM FOR:

FROM:

WILLIAM J. BAROODY, JR.

SUBJECT:

Presidential Spokesmen's Briefing Wednesday, July 14, 1976

You and top members of your Department (Agency) are invited to participate in a Presidential Spokesmen's Briefing next Wednesday, July 14, between 3:00 p.m. and 5:15 p.m. in the East Room at the White House.

The purpose of this meeting is to bring together top Presidential appointees and spokespersons with the President and top members of his Administration to discuss major current policies and programs.

John Shlaes, my Director of White House Conferences, will be in touch with your office to coordinate invitation lists. Invitees should be limited to Schedule C and other excepted positions.

Should you have any thoughts in the meantime, please contact Mr. Shlaes at 456-7090. I look forward to seeing you and other members of your Department (on Wednesday.



THE WHITE HOUSE

WASHINGTON

July 19, 1976

MEMORANDUM FOR

THE CABINET

SUBJECT:

Guidelines in Connection with the 1976 Election Campaign

On January 7, 1976, I sent members of the Cabinet and others a memorandum on the same subject. The President has asked me to reaffirm the guidance provided by that memorandum and to review guidelines which should be applied with regard to delegates (and alternates) to the Republican National Convention and in regard to your attendance at the Convention.

First, every opportunity may be afforded the delegates to become fully acquainted with this Administration's record and the President's opinion and policies on issues of concern to them. However, no official action or position on any matter by anyone in the Administration shall be, directly or indirectly, offered, promised or provided as consideration, favor or reward for the support of any delegate to benefit the President's candidacy.

In the event a delegate has an interest in the outcome of a pending or prospective procedure for employment, contract, grant, or benefit from the Federal Government, no intervention with those officials who are responsible for determining such action shall be made by anyone on behalf of the President to control or affect the results of that procedure as a means to influence the votes or activities of the delegate. This restriction is not intended to preclude normal requests, inquiries and reports regarding the status of pending procedures, but these should be handled in the same manner as they would for any other concerned citizen and without affecting the results of the procedures.



Second, delegates may be informed of the many reasons why nomination and election of the President is in the best interests of the nation, but no direct or indirect offer or promise shall be made to delegates that an appointment to office or other benefit can be obtained from the Federal Government for any particular person, as a consequence of the votes or activities of such delegates to the Convention.

Finally, in connection with the attendance of various members of the Cabinet at the 1976 Republican National Convention, care must be taken to assure that appropriated funds are not used to conduct or support political activities on behalf of a candidate or a political party. While some of you may require that members of your staff accompany you to the Convention to assist you in carrying out your official duties, the use of such personnel must be strictly so limited. Moreover, due to obvious questions of appearance and the limited availability of hotel accommodations in Kansas City, it is requested that you plan to take not more than one such staff member with you, exclusive of authorized security personnel. It should again be noted that, in the case of staff members who are subject to the Hatch Act, they are, of course, prohibited by law from participating or engaging in any political campaign activity.

Rogers Morton has designated Stanton Anderson to coordinate Convention activities for the President Ford Committee. Any questions in this regard should be directed to Stan at 457-6470.

Your assistance is appreciated.

James E. Connor

Secretary for the Cabinet

THE WHITE HOUSE
WASHINGTON
July 12, 1976

MEMORANDUM FOR

THE CABINET

SUBJECT:

Guidelines in Connection with the 1976 Election Campaign

On January 7, 1976, I sent members of the Cabinet and others a memorandum on the same subject. The President has asked me to reaffirm the guidance provided by that memorandum and to review guidelines which should be applied with regard to delegates (and alternates) to the Republican National Convention and in regard to your attendance at the Convention.

First, every opportunity may be afforded the delegates to become fully acquainted with this Administration's record and the President's opinion and policies on issues of concern to them. However, no official action or position on any matter by anyone in the Administration shall be, directly or indirectly, offered, promised or provided as consideration, favor or reward for the support of any delegate to benefit the President's candidacy.

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Rogers Morton has designated Stanton Anderson to coordinate Convention activities for the President Ford Committee. Any questions in this regard should be directed to Stan at 457-6470.

Your assistance is appreciated.

James E. Connor Secretary for the Cabinet

THE WHITE HOUSE WASHINGTON

Barry,

Whatever is decided, Jim says he is only going to send <u>one</u> memo.

Eleanor 7/13



President Ford Committee

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

July 12, 1976

MEMORANDUM

TO: Dr. James E. Conner

Secretary to Cabinet

The White House

FROM: Bob Visser

Tim Ryan

RE: Cabinet Officials Convention Travel and Expenses

Attached is a copy of a memorandum to the Cabinet regarding Cabinet Officials Convention Travel and Expenses.

It is our feeling that you, as Secretary to the Cabinet, should forward this to the Cabinet members and other Executive Department officials. This memorandum has been coordinated with Barry Roth and Stan Anderson.



CABINET OFFICIALS CONVENTION TRAVEL AND EXPENSES

The purpose of this memorandum is to summarize the law applicable to expenditures made by Cabinet officials and their aides regarding travel to and living expenses at the Republican National Convention. In general, expenditures by any individual engaged in political activity on behalf of a clearly identified candidate are considered either (1) an expenditure by the PFC, (2) statutorily exempt expenditures by such persons or (3) "in-kind" contributions to the President Ford Committee (PFC).

The expenditure of funds for travel and subsistence by such individuals may be handled in one of three ways:

First, a Cabinet official or aide not subject to the Hatch Act may absorb the cost of travel expenses, including transporation, food and lodging, in Kansas City up to \$500.00, as set forth in the Federal Election Campaign Act, as amended. In particular, Section 431(e)(5)(D) of Title 2, United States Code, states that the term "contribution" does not include "... any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate." A parallel exclusion from the definition of "expenditure" is set forth in Section 431(f)(4)(E). Of particular importance is the fact that such unreimbursed travel expenses are not chargeable to the PFC's state or national expenditure ceiling. Moreover, such expenditures are not required to be reported to the Federal Election Commission, although the PFC has recommended that individuals keep records of all such expenses. The exclusion, however, extends only to the cumulative value of expenditures by any person on behalf of each candidate which does not exceed \$500.00 with respect to any election. In other words, any person may absorb up to \$500.00 of transportation and related subsistence on behalf of any candidate during the primary election period. During the general election, each individual will have another \$500.00 to absorb under this provision of the election

Second, if an individual in this category has already absorbed the \$500.00 allowable under the law, an expenditure for transportation or subsistence or other campaign related expenses incurred on behalf of the candidate would become an "in-kind" contribution to that candidate and, therefore, such expenditure would be limited to the \$1,000 individual contribution limitation applicable to each federal candidate per election (2 U.S.C. §441a.(a)(1)). In addition, this "in-kind" contribution would be considered an expenditure by the PFC and would be applied to the PFC's national expenditure limitation.

Third, the PFC could reimburse the Cabinet officials for his or her travel and subsistence expenses but such payments would also be applied to the PFC's national expenditure ceiling.



Cabinet Officials Convention Travel and Expenses Page Two

In conclusion, we have been informally advised by the legal staff of the Federal Election Commission (FEC) and have testified before the Commission that a "personal benefit" method of calculating the \$500.00 exclusion is acceptable under the Federal Election Campaign Act. Thus, if an individual flies first class to Kansas City for the purpose of engaging in political accommodations, the proper expense applied to the \$500.00 exclusion would be a coach fare and the normal cost of a hotel room and not the total actual costs incurred. Any additional expense the benefit of such accommodations accrues only to that individual, approach may not be utilized when the purpose of the expenditure (e.g., a hotel suite) is to be utilized for candidate related activity and not merely the personal use and comfort of the individual.

July 12, 1976



THE WHITE HOUSE WASHINGTON

September 24, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

PHILIP BUCHEN (W.)

SUBJECT:

Hatch Act

This is to advise you that we have no legal problem with members of the staff of the Domestic Council continuing to perform their normal and customary duties on behalf of the President, including canvassing the various departments and agencies of the Federal Government to determine those issues of Federal concern which the President might encounter in traveling around the country.

We would not think it appropriate, however, for those members of the staff of the Domestic Council who are not paid from appropriations to the President to contact persons from outside the Federal Government (such as State or local officials or political party chairmen) for the purpose of identifying issues of local sensitivity or concern.



Buchen - FY1

THE WHITE HOUSE

September 29, 1976

MEMORANDUM FOR:

James A. Baker Chairman President Ford Committee

SUBJECT:

Campaign-Related Activities Performed by Members of the White House Staff

This memorandum is in followup to our recent conversations concerning campaign-related activities performed by White House staff members and the impact of Federal statutes regulating elections and the conduct of Federal employees on such activities.

As you are aware, there has been no definitive ruling concerning the extent to which publicly paid staff members of incumbent Federal candidates may undertake campaign-related activities. The Federal Election Commission purposely avoided deciding this issue in its decision dismissing, in effect, complaints made regarding Secretary Morton's joint role as Counsellor to the President and as the White House liaison with the President Ford Committee. 1 However, there are several key factors which must be examined in determining the propriety of White House staff members performing campaignrelated activities. First, whether Federal funds are being used for purposes other than those for which the funds were appropriated. Second, whether staff activities may be considered to be either contributions or expenditures under the Federal Election Campaign Act, as amended, 2 U.S.C. 431, et seq. With regard to this latter factor, comments should be sought from the PFC General Counsel. However, it would appear from the discussion that follows that no contribution or expenditure problem is raised.

A. Relevant provisions of law governing the activities of persons paid by the White House Office

The relevant provisions of the current appropriation for the White House Office are found in the Executive Office Appropriations Act, 1977, Title III of P.L. 94-363. The

¹ In the Matter of the President Ford Committee (Morton), MUR 077 (76), dec'd., July 26, 1976. (Attached at Tab A)

controlling language of this Act is as follows:

"For expenses necessary for the White House Office as authorized by law, including not to exceed \$3,850,000 for services as authorized by 5 U.S.C. 3109, at such per diem rates for individuals as the President may specify and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service..." [emphasis added]

Appropriations to the White House Office for prior fiscal years contain similar provisions. While there is no permanent authorization for the entire White House Office, certain permanent provisions contained in Title 3 of the United States Code indicate that the President is to have considerable latitude in the assignment of duties to the members of his staff. For example, 3 U.S.C. 106 authorizes six administrative assistants for the President, and further states that "....Each such administrative assistant shall perform such duties as the President may prescribe." Section 105 of this Title authorizes "...eight other secretaries or other immediate staff assistants in the White House Office." By inference, it would appear Congress intended that the duties of these eight assistants, as well as all other persons paid from the appropriations to the White House Office, governed by the standard stated in Section 106, i.e., "such duties as the President may prescribe." While this discretionary authority in assigning responsibilities to members of the White House staff is extremely broad, we do not suggest that this discretion is unlimited. These statutes must be construed to require that employees devote at least some significant portion of their time to matters which are official in nature.

In addition to the above-referenced provisions of law, those of the so-called Hatch Act, 5 U.S.C. 7321, et seq., governing political activities by Executive Branch employees are also relevant. Section 7324(a)(2) of Title 5 provides that an Executive Branch employee may not "...take an active part in political management or in political campaigns." However, employees "paid from the appropriation for the Office of the President" are exempted from this proscription (5 U.S.C. 7324(d)). This appears to be Congressional recognition of the traditional and necessary role of members of the White House staff in political activities, and a clear statement of Congressional intent to allow such activities by employees of the White House Office. Moreover, this is consistent with the political role allowed to the members of the personal staff of a Senator or Congressman.

In <u>Public Citizen and Ralph Nader</u> v. <u>William E. Simon</u>, ² plaintiffs asserted that campaign activities performed by certain members of the White House staff during the 1972 Presidential election required reimbursement to the Treasury for at least a portion of their salary for the period spent on campaign-related activities. Plaintiffs' suit was brought on the basis that, as taxpayers, they had been injured by the expenditure of appropriated funds in violation of 31 U.S.C. 628 which provides:

"Except as otherwise provided by law, sums appropriated for the various branches or expenditures in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

The suit was dismissed by the District Court for lack of standing and affirmed by the Court of Appeals, in a 2-1 decision. Although Circuit Judges Leventhal and MacKinnon refused to look beyond the issue of standing, Judge McMillan (United States District Judge for the Western District of North Carolina), dissenting, indicated he would have found for the plaintiffs on the question of standing. However, his view on the merits was that White House Office employees could properly perform at least some campaign activities. He stated, in part:

"In summary, I would find that plaintiffs have standing to bring the suit and that the case should be decided on the merits in favor of those defendants who may be covered by the express exemptions under 5 U.S.C. 7324(d), but against any defendants not expressly so covered, including any person whose salaries come from sources other than 'appropriations for the Office of the President.'"

Similar questions concerning the performance of campaign-related activities by members of the White House staff were raised in complaints to the Federal Election Commission relative to the appointment of Secretary Morton as Counsellor to the President. Although the actual decision of the Commission was limited to a finding that there was no reason to believe that any violation of the Federal Election Campaign Act had been raised by the complaints, the

²D.D.C., Civil Action No. 2280-72, dec'd Sept. 30, 1974, aff'd., _U.S. App. D.C. __ (1976), No. 74-2025, dec'd. June 25, 1976.

General Counsel's Report to the Commission on these complaints and a separate statement issued by Vice Chairman Harris offer further clarification of the law in this regard.

The General Counsel construed the Hatch Act exemption for employees "paid from the appropriation for the Office of the President" to permit "...an exempt employee to engage in campaign-related activities in non-business hours." However, he proceeded to note that "...there is no standard definition of ordinary business work day for a person at Mr. Morton's level," i.e., Presidential appointees.³

On the other hand, Vice Chairman Harris took the position that Congress never intended the Federal Election Commission to have the responsibility for monitoring political activity of Federal employees. With respect to the general coverage of the Hatch Act, this is the responsibility of the Civil Service Commission. He also noted that the CSC has the general responsibility to enforce Executive Order 11222, "Prescribing Standards of Ethical Conduct for Government Officers and Employees." In particular, he indicated that Section 204 of this Order may be applicable to campaign activities performed by Federal employees in that it provides:

"An employee shall not use Federal property of any kind for other than officially-approved activities."

However, as long as campaign activities are undertaken without additional cost to the Government, it would appear that there is no violation of this provision.

In addition, Mr. Harris noted that the General Accounting Office would have the authority to deal with questions concerning campaign activities by Federal employees on the basis of 31 U.S.C. 628. Finally, he stated that personal services which (a) are volunteered and (b) in addition to those required as part of the employee's normal work day are not in violation of the Federal Election Campaign Act, as amended.

B. Policy of the Ford White House

While the above discussion of the law does not offer guidelines setting forth absolute limits on campaign activities which can be performed by members of the White House

 $^{^{3}}$ See 5 U.S.C. 6301, et seq. 4 See 2 U.S.C. 431(e)(5)

staff, the policy of the White House in this Administration has long been on the public record. In his letter to the Federal Election Commission of September 3, 1975⁵ Philip Buchen, Counsel to the President, stated the following:

"No precise dividing line now exists, nor is one likely to be drawn, which clearly indicates when such employees [the personal staffs of incumbent candidates for Federal office] are performing official duties and when those duties are political. So long as these employees expend a substantial majority (an average in excess of forty hours per week) of their time on official duties, there is no need to attribute any portion of the salaries of such employees to a political committee."

This has commonly been referred to as the forty-hour rule, and was discussed by the FEC in dismissing the Morton complaints. Moreover, the FEC's proposed regulations governing voluntary personal services clearly recognize the general validity of this approach. While these regulations would not necessarily control the activities of Federal employees, by analogy, they effectively moot any questions concerning the activities currently performed by exempt employees. In particular, Section 100.4(a)(5) of the proposed regulations provides that there is no contribution to a campaign when compensation is paid to an employee:

- "(i)(A) who is paid on an hourly or salaried basis;
 - (B) who is expected to perform duties for an employer for a particular number of hours per period; and
 - (C) who engages in political activity during what would otherwise be a regular work period; if the taken or released time is made up or completed by that employee within a reasonable period; or
- (iii) where the time used by the employee to engage in political activity is bona fide, although compensable, vacation time or other earned leave time." [emphasis added]

Accordingly, there is no question but that employees can properly engage in campaign-related activities as long as they devote at least forty hours per week, on an average

⁵At Tab B

basis over a reasonable time period, to their official Government duties.

Even with the proposed FEC regulations, the law governing the activities of employees on the public payroll has yet to be fully interpreted. The questions that we now face in this regard are ones of first impression for which we are most likely setting the standard for other office holders to follow in the future. Our use of the so-called forty-hour rule appears to be in full compliance with the law as it now stands, particularly in view of the transfer to the PFC's roles of personnel whose duties are expected to be primarily campaign-related rather than official in nature for the period through the election. Persons so transferred include those working on the Advocates Program, advance personnel, and others in similar situations.

In addition, the Counsel's Office has met with other members of the White House staff and reviewed the duties of these officials and their staffs. As described to us, we have found that such staff members are devoting substantial portions of time, consistent with the above discussion, on matters which are official in nature, and thus in accord with even the most narrow readings of the FEC regulations and its decision on the Morton complaints.

It is expected that these staff members will continue to perform substantial official duties through the election, although the amount of time each week will vary. In the event it is called to our attention that White House Office employees do assume campaign duties which do not allow them to continue to devote substantial amounts of time to official duties, we will reexamine with you whether corrective steps should be taken, such as the transfer of the employee to the roles of the PFC. Moreover, we are taking steps to assure that members of the senior staff are fully aware of the responsibility that is placed on each of them and their staffs in continuing to perform official duties. We are also reminding these employees that questions in this regard are to be raised immediately with this office.

I trust that this is responsive to your concern that we take all practical steps to ensure that the President's campaign is conducted in accord with the highest ethical and legal standards, and that questions concerning the activities of the White House staff should not even be raised.

Deputy Counsel to the President

JAMES C. CONRAD 374-3956 GARY C. WITT 324-3953

Investigation is being conducted at the specific request of the Department of Justice, to ascertain information concerning the possible use of White House facilities for political purposes, and whether activities might involve x possible violation of 2USC 434 and 441a(b).

Following activities have been alleged/Favors and entertainment to Delegates selected to RNG in possible violation of election laws.
6/23/76-Visit by Bobby Shelton from Gaffney, S.C. to WH

7/3/76-Relph Diblacio of NY received from PFC three tickets
to USS Forrestel Reviewing Stand for Topsail in NY

7/7/76- Richard M. Rosenboum of MY invited to WH dinner for Queen Elizabeth

7/15/76- William O. Forbes of Va. attended WH dinner for West German Chancellor Schmidt

7/19/76- NJ Delegates entertained at WH

7/22/76- NY Delegates entertained at WH with food and drinks

7/25/76-Nd. Delegates invited to WH

7/28/76-Calvin Smith from Va. at VH.

7/4-8/4/76-Virginia Lampe of Va. visited WH three times 8/4/76- Va. Delegation at WH.

Did the committee pay for expenses incurred in connection with bringing convention delegates to the WH and their entertainment there, if any. If not, who was responsible for such expenditure.



THE WHITE HOUSE

WASHINGTON

October 1, 1976

MEMORANDUM FOR

THE CABINET

SUBJECT:

Travel by Advocates

In order to assure full compliance with the letter and spirit of the new campaign laws, full responsibility for the Advocates Program has been assigned to the President Ford Committee. In this regard, the following rebuttable presumptions have been established to guide both you and the President Ford Committee through the campaign period with respect to the scheduling of travel by the Advocates and the payment of expenses related thereto:

- 1. All public appearances by the Cabinet members and other government officials who participate in the Advocate Program after the nomination will be considered candidate related in nature, and expenses will be paid by the President Ford Committee, except in the case of official activities scheduled by the respective Agency prior to August 19, 1976; and
- 2. All public appearances by such Advocates after October 16, 1976, including those official activities scheduled by the respective Agency prior to August 19, 1976, will be considered candidate related in nature and expenses will be paid by the President Ford Committee.

Any questions concerning determinations with regard to whether an activity is official, thereby overcoming the above presumptions, will be answered by the Office of the Counsel to the President.

These guidelines are in no way meant to interfere with the performance of your official duties and responsibilities. However,



as you are aware, the new Federal election laws have placed new constraints upon the conduct of this election. These guidelines have been developed to eliminate even the slightest question of the President's intent to comply fully with the spirit and the letter of that law. Accordingly, we very much appreciate your continued cooperation in this regard.

> JAMES E. CONNOR SECRETARY TO THE CABINET

