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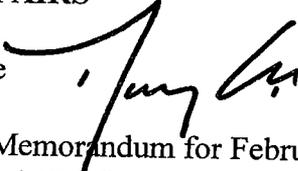
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February 5, 2001

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MEMORANDUM FOR MEMBERS OF THE GOVERNMENT REFORM SUBCOMMITTEE ON ENERGY POLICY, NATURAL RESOURCES AND REGULATORY AFFAIRS

FROM: Doug Ose 

SUBJECT: Briefing Memorandum for February 12, 2002 Hearing, "Accountability for Presidential Gifts"

On Tuesday, February 12, 2002, at 10:30 a.m., in Room 2154 Rayburn House Office Building, the Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs will hold a hearing on the need for accountability for Presidential gifts, including systems for the receipt, valuation, and disposition of gifts. In addition, the hearing will examine findings from the Subcommittee's gifts investigation. The hearing is entitled, "Accountability for Presidential Gifts."

Currently, there are several Federal offices and agencies involved in the receipt, valuation, and disposition of Presidential gifts. The White House Gifts Unit records all domestic and foreign gifts received by the Presidential family and White House employees, including the valuation and disposition of gifts. Under the Presidential Records Act of 1978 (44 U.S.C. §2201-2207), the National Archives and Records Administration (NARA) accepts gifts for Presidential archival depositories (libraries) and provides courtesy storage for Presidential gifts that are not immediately retained by the President but which can be recalled for possible retention by the President. Under 3 U.S.C. §109, the Department of the Interior's National Park Service (NPS) annually prepares an inventory of public property in or belonging to the White House residence. In addition, NPS officially accepts gifts for the White House residence.

Under 5 U.S.C. §7432(f), the Office of Protocol in the Department of State (DOS) annually publishes a listing of all gifts (both tangible and monetary) from a foreign government to a Federal employee, including all Executive and Legislative Branch employees. The listing includes gifts to the President and Members of Congress. Under 5 U.S.C. App. §103(b) and 5 U.S.C. §102(a)(2)(A), the Office of Government Ethics (OGE) receives annual financial disclosure reports -- which are publicly available -- from the President for gifts retained over a reporting threshold (currently set at \$260) from any source other than a relative. Lastly, the

General Services Administration (GSA) has detailed staff to the White House Gifts Unit and is responsible for updating the reporting threshold for gifts (e.g., from \$250 to \$260) and for disposing of some gifts which are not retained by the President or sent to NARA. GSA's regulations require a commercial appraisal for foreign gifts that a Federal employee (including the President) wishes to retain (41 CFR §102-42.40(a)). A recipient may purchase a foreign gift at the appraised value plus the cost of the appraisal (41 CFR §102-42.140).

In February 2001, after press accounts of President Clinton's last financial disclosure report and some furniture gifts ultimately returned by the Clintons to the White House residence, the Subcommittee began its gifts investigation. The Subcommittee examined NPS's annual inventory and other records for the White House residence, the financial disclosure reports still in OGE's files, NARA's database for the Clinton Administration, and the White House Gifts Unit's database for the Clinton Administration. The hearing will examine information on retained gifts, valuation of gifts, missing gifts, legal rulings about gifts, and other findings from the investigation, including some information about gifts retained by President George H.W. Bush.

The hearing will examine previous and existing systems and processes for receipt, valuation, and disposition of Presidential gifts and the possible need for changes to assure accountability (including receipt, valuation, and disposition) of Presidential gifts.

The witnesses for the hearing are: Scott Harshbarger, President & CEO, Common Cause; Paul Light, Director, Center for Public Service, The Brookings Institution; Gregory S. Walden, former Counsel, White House Counsel's Office, President George H.W. Bush; Bruce R. Lindsey, former Assistant to the President & Deputy Counsel to the President and current Designated Representative for President Clinton (who declined my invitation to testify) or Lori Krause, head of the White House Gifts Unit during the Clinton Administration (invited); William H. Taft IV, Legal Advisor, DOS; and Deborah K. Hair, Special Assistant to the President and Director of Correspondence, President George W. Bush (invited).