# H.R. 1081, THE ACCOUNTABILITY FOR PRESIDENTIAL GIFTS ACT

## HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

ON

## H.R. 1081

TO AMEND TITLE 44, UNITED STATES CODE, TO DIRECT THE ARCHIVIST OF THE UNITES STATES TO MAINTAIN AN INVENTORY OF ALL GIFTS RECEIVED FROM DOMESTIC SOURCES FOR THE PRESIDENT, THE EXECUTIVE RESIDENCE AT THE WHITE HOUSE, OR A PRESIDENTIAL ARCHIVAL DEPOSITORY

JUNE 18, 2002

## Serial No. 107–204

Printed for the use of the Committee on Government Reform

Available via the World Wide Web: http://www.gpo.gov/congress/house
http://www.house.gov/reform

U.S. GOVERNMENT PRINTING OFFICE

86–825 PDF WASHINGTON : 2003

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

## COMMITTEE ON GOVERNMENT REFORM

DAN BURTON, Indiana, *Chairman*

BENJAMIN A. GILMAN, New York
CONSTANCE A. MORELLA, Maryland
CHRISTOPHER SHAYS, Connecticut
ILEANA ROS-LEHTINEN, Florida
JOHN M. MCHUGH, New York
STEPHEN HORN, California
JOHN L. MICA, Florida
THOMAS M. DAVIS, Virginia
MARK E. SOUDER, Indiana
STEVEN C. LATOURETTE, Ohio
BOB BARR, Georgia
DAN MILLER, Florida
DOUG OSE, California
RON LEWIS, Kentucky
JO ANN DAVIS, Virginia
TODD RUSSELL PLATTS, Pennsylvania
DAVE WELDON, Florida
CHRIS CANNON, Utah
ADAM H. PUTNAM, Florida
C.L. "BUTCH" OTTER, Idaho
EDWARD L. SCHROCK, Virginia
JOHN J. DUNCAN, JR., Tennessee
JOHN SULLIVAN, Oklahoma

HENRY A. WAXMAN, California
TOM LANTOS, California
MAJOR R. OWENS, New York
EDOLPHUS TOWNS, New York
PAUL E. KANJORSKI, Pennsylvania
PATSY T. MINK, Hawaii
CAROLYN B. MALONEY, New York
ELEANOR HOLMES NORTON, Washington, DC
ELIJAH E. CUMMINGS, Maryland
DENNIS J. KUCINICH, Ohio
ROD R. BLAGOJEVICH, Illinois
DANNY K. DAVIS, Illinois
JOHN F. TIERNEY, Massachusetts
JIM TURNER, Texas
THOMAS H. ALLEN, Maine
JANICE D. SCHAKOWSKY, Illinois
WM. LACY CLAY, Missouri
DIANE E. WATSON, California
STEPHEN F. LYNCH, Massachusetts

BERNARD SANDERS, Vermont (Independent)

KEVIN BINGER, *Staff Director*
DANIEL R. MOLL, *Deputy Staff Director*
JAMES C. WILSON, *Chief Counsel*
ROBERT A. BRIGGS, *Chief Clerk*
PHIL SCHILIRO, *Minority Staff Director*

### SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS

STEPHEN HORN, California, *Chairman*

RON LEWIS, Kentucky
DOUG OSE, California
ADAM H. PUTNAM, Florida
JOHN SULLIVAN, Oklahoma

JANICE D. SCHAKOWSKY, Illinois
MAJOR R. OWENS, New York
PAUL E. KANJORSKI, Pennsylvania
CAROLYN B. MALONEY, New York

EX OFFICIO

DAN BURTON, Indiana
HENRY A. WAXMAN, California

J. RUSSELL GEORGE, *Staff Director and Chief Counsel*
HENRY WRAY, *Senior Counsel*
JUSTIN PAULHAMUS, *Clerk*
MICHELLE ASH, *Minority Counsel*

# CONTENTS


| | Page |
|---|---|
| Hearing held on June 18, 2002 | 1 |
| Text of H.R. 1081 | 3 |
| Statement of: | |
| Carlin, John W., Archivist of the United States; P. Daniel Smith, Special Assistant to the Director, National Park Service, Department of the Interior; Scott Harshbarger, president and chief executive officer, Common Cause; Paul C. Light, director, center for public service, the Brookings Institution; and | 23 |
| Maloney, Hon. Carolyn B., a Representative in Congress from the State of New York | 16 |
| Mink, Hon. Patsy T., a Representative in Congress from the State of Hawaii | 19 |
| Ose, Hon. Doug, a Representative in Congress from the State of California | 7 |
| Letters, statements, etc., submitted for the record by: | |
| Carlin, John W., Archivist of the United States, prepared statement of | 26 |
| Harshbarger, Scott, president and chief executive officer, Common Cause, prepared statement of | 44 |
| Light, Paul C., director, center for public service, the Brookings Institution, prepared statement of | 54 |
| Maloney, Hon. Carolyn B., Representative in Congress from the State of New York, prepared statement of | 18 |
| Mink, Hon. Patsy T., a Representative in Congress from the State of Hawaii, prepared statement of | 21 |
| Ose, Hon. Doug, a Representative in Congress from the State of California, prepared statement of | 12 |
| Smith, P. Daniel, Special Assistant to the Director, National Park Service, Department of the Interior, prepared statement of | 35 |
| Walden, Gregory S., esquire, Patton Boggs LLP, prepared statement of | 66 |

# H.R. 1081, THE ACCOUNTABILITY FOR PRESIDENTIAL GIFTS ACT

**TUESDAY, JUNE 18, 2002**

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS,
COMMITTEE ON GOVERNMENT REFORM,
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:04 p.m., in room 2154, Rayburn House Office Building, Hon. Stephen Horn (chairman of the subcommittee) presiding.

Present: Representatives Horn, Ose, and Maloney.

Staff present: J. Russell George, staff director and chief counsel; Bonnie Heald, deputy staff director; Henry Wray, senior counsel; Justin Paulhamus, clerk; Chris Barkley, assistant; Michael Sazonov, Sterling Bentley, Freddie Ephraim, and Joe DiSilvio, interns; Barbara Kahlow, deputy staff director, Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs; Michelle Ash, minority counsel; and Earley Green, minority assistant clerk.

Mr. HORN. A quorum being present, the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations will come to order.

Today, the subcommittee will consider a bill drafted by our colleague, Mr. Ose from California. The bill is H.R. 1081, the Accountability for Presidential Gifts Act. As its name implies, the purpose of this bill is to improve accountability over the thousands of gifts that are given to the President, to the executive residence at the White House, or a Presidential archival depository.

Currently, six different government agencies have a hand in recording and managing Presidential gifts. That multiplicity of duties involving these gifts can lead to confusion and create unwarranted problems. Indeed, an investigation conducted by Mr. Ose's Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs found very serious problems involving the Presidential gifts during the Clinton administration. The problems that Mr. Ose's subcommittee identified affected virtually every aspect of gift administration, including tracking and reporting on gifts, establishing their value, determining whether they were intended as personal gifts or as gifts to United States, and ensuring their proper disposition. H.R. 1081 would require the National Archives and Records Administration to maintain a comprehensive inventory of all Presidential gifts from sources other than foreign governments. All information in the inventory would be subject to public disclosure.

Mr. Ose will describe the flaws in the existing systems and how his bill will correct them.

Administration officials and others believe that legislation is not needed at this time. They maintain that the current administration has already changed the process to address the problems of the past.

In addition, they raise concerns about whether the National Archives should be responsible for administrating an inventory of Presidential gifts. Our witnesses today will present a full range of views on H.R. 1081. I welcome each of you, and I look forward to your testimony. And, Mr. Ose, the author.

[The text of H.R. 1081 follows:]

I

107TH CONGRESS
1ST SESSION

# H. R. 1081

To amend title 44, United States Code, to direct the Archivist of the United States to maintain an inventory of all gifts received from domestic sources for the President, the Executive Residence at the White House, or a Presidential archival depository.

---

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2001

Mr. OSE introduced the following bill; which was referred to the Committee on Government Reform

---

# A BILL

To amend title 44, United States Code, to direct the Archivist of the United States to maintain an inventory of all gifts received from domestic sources for the President, the Executive Residence at the White House, or a Presidential archival depository.

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Accountability for Presidential Gifts Act".

**SEC. 2. FINDINGS.**

The Congress finds the following:

(1) There is no clear accountability for Presidential gifts, since multiple lists of such gifts are separately maintained by different Federal agencies, including by the White House Gifts Unit, the National Park Service, and the National Archives and Records Administration.

(2) The lack of a consolidated record of the receipt, administration, and disposition of Presidential gifts creates confusion about the status of some of those gifts.

(3) Requiring the National Archives and Records Administration to maintain an inventory of Presidential gifts would eliminate such confusion and ensure accountability.

**SEC. 3. INVENTORY OF PRESIDENTIAL GIFTS.**

(a) IN GENERAL.—Chapter 22 of title 44, United States Code, is amended by adding at the end the following:

**"§ 2208. Inventory of Presidential gifts**

"(a) The Archivist shall maintain a current inventory of all Presidential gifts.

"(b) The inventory shall include, with respect to each Presidential gift, the following information:

"(1) The date of receipt by the Federal Government.

1 "(2) A description.

2 "(3) The estimated cost or appraised value.

3 "(4) The donor.

4 "(5) Any indication of whether the intent of the
5 donor was to make the gift to the United States or
6 to the President personally.

7 "(6) The current location and status of the gift,
8 including identification of the Federal agency or
9 other person having control of the gift.

10 "(c) The head of a Federal office or agency, including
11 any unit in the Executive Office of the President, having
12 possession of any record containing information regarding
13 the receipt, location, control, or disposition of a Presi-
14 dential gift shall, upon receipt of such information, report
15 such information to the Archivist in accordance with regu-
16 lations issued by the Archivist under this section.

17 "(d) The Archivist shall make available to the public,
18 upon request, any information in the inventory maintained
19 under this section.

20 "(e) The Archivist shall report to the Committee on
21 Governmental Affairs of the Senate and the Committee
22 on Government Reform of the House of Representatives
23 each proposed disposition of a Presidential gift other
24 than—

25 "(1) a gift from a relative of the President; and

1 "(2) a gift having a value of less than $250.

2 "(f)(1) The Archivist shall issue regulations imple-
3 menting this section.

4 "(2) The Archivist may not issue any nonbinding
5 guidance for purposes of this section.

6 "(g) In this section:

7 "(1) The term 'gift' has the meaning that term
8 has under section 109 of the Ethics in Government
9 Act of 1978 (5 U.S.C. App.).

10 "(2) The term 'Presidential gift' means any gift
11 to or for the benefit of the President personally, the
12 President in his or her official capacity, the Execu-
13 tive Residence at the White House, or a Presidential
14 archival depository, other than a gift from a foreign
15 government (as that term is defined in section
16 7342(a) of title 5, United States Code).".

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for chapter 22 of title 44, United States Code, is amended
19 by adding at the end the following:

"2208. Inventory of Presidential gifts.".

○

Mr. OSE. Thank you, Mr. Chairman.

Mr. HORN. The author. And, please proceed.

Mr. OSE. Thank you, Mr. Chairman. I do have a lengthy statement. I would beg the chairman's indulgence.

Mr. HORN. Take your time. The ranking member is not here, and she also would like to speak on this.

**STATEMENT OF HON. DOUG OSE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. OSE. All right. Mr. Chairman, as always, you have convened a hearing that is important to our ability as a country to govern. The American people have a right to know what gifts were received and retained by their President. Donors of those gifts should receive no unfair advantage in the policymaking process or other governmental benefits by virtue of their gift. Several laws involving six Federal offices and agencies govern the current system for the receipt, valuation, and disposition of Presidential gifts. Unfortunately, no single agency or person is ultimately responsible for tracking Presidential gifts.

In early 2001, there were press accounts of President Clinton's last financial disclosure report and furniture gifts returned by the Clintons to the White House residence. To prevent future such abuses, I drafted a bill and asked Mr. Waxman to become an original cosponsor. At his suggestion, the Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs, which I chair, spent 11 months gathering the empirical data to support this legislative effort. The subcommittee investigated how the current system works and what legislative changes, if any, were needed to prevent future abuses of the Presidential gifts process.

In March 2001, I introduced H.R. 1081, the Accountability for Presidential Gifts Act. This bill establishes responsibility in one agency for the receipt, valuation, and disposition of Presidential gifts. On February 12th of this year, my subcommittee held a hearing to present the results of its 1-year investigation and to receive comments on the bill. At the hearing, I released a 55-page document summarizing the subcommittee's findings.

Mr. Chairman, I ask that you include my February 12th opening statement and that particular document in today's hearing record.

Mr. HORN. Without objection, it is so ordered.

Mr. OSE. Today I would like to summarize the following: How the current system works, my subcommittee's investigation, and findings and recommendations made in my subcommittee's hearing.

Here is how the current system works. The White House—you are going to have to pay attention because it's complicated. The White House Gifts Unit is responsible for recording all domestic and foreign gifts received by the First Family, including the valuation and disposition of gifts. Under the Presidential Records Act of 1978, the National Archives and Records Administration—which we are going to refer to as NARA from now on—accepts gifts for Presidential libraries and stores Presidential gifts that are not immediately retained by the President but which can be recalled for possible retention by the President.

Under a second law, the Department of the Interior's National Park Service annually makes a snapshot inventory of public property in or belonging to the White House residence. In addition, the National Park Service initially accepts gifts for the White House residence.

Under a third law, the Office of Protocol in the Department of State annually publishes a listing of all gifts, both tangible and monetary, from a foreign government to a Federal employee, including to the First Family.

Under a fourth law, the Office of Government Ethics receives annual financial disclosure reports from the President for gifts retained over a reporting threshold. That threshold is currently set at $260 in value from any source other than a relative.

Last, the General Services Administration has staff assigned to the White House Gifts Unit, and is responsible for updating the reporting threshold for gifts and for disposing of some gifts which are not retained by the President or sent to NARA. General Services Administration's regulations require a commercial appraisal for foreign gifts over a reporting threshold—that is, a certain value—that a Federal employee, including the President, wishes to retain.

In contrast, there is no statutory requirement for a commercial appraisal for domestic gifts over a reporting threshold. So, you see one difference there between foreign versus domestic gifts.

In its investigation, my subcommittee examined the National Park Service's annual inventory and other records for the White House residence, the financial disclosure reports still in the Office of Government Ethics' files, NARA's data base for the former administration, and the White House Gifts Unit data base for the former administration. The investigation revealed startling information about retained gifts, valuation of gifts, missing gifts, legal rulings about gifts, and other findings.

The White House gifts system had 94,178 gift records—many of which had more than one item on them—to the former First Family during the two-term presidency that they served. The former First Family retained one or more gifts at 16 percent of these gift records. That would be 14,770 such records.

The former President disclosed on his annual financial statements less than 2 percent of these retained gifts. Of those—just to be exact, Mr. Chairman, of the 14,770 that were retained, 227 of them were disclosed on the annual financial statements, and each of those 227 were valued at $260 or more. These 227 gifts that were disclosed had a total valuation of $361,968. That's according to the disclosure statements.

An additional 26 retained gifts of $260 or more were not disclosed on these annual financial statements.

The former First Family was not required to disclose an additional 98 retained gifts which were each valued just below the threshold—that would be in the $240 to $259 range. These 98 gifts totaled just over $24,000 in value; 49 percent of these gifts—of these 98—were never appraised or otherwise independently valued.

The subcommittee found that 69 percent of certain fair trade gifts—that is, brand name goods widely sold—were undervalued. Chart 3–C, which is right over here, includes examples of non-fair trade items which were probably undervalued, such as various col-

lector's items. Some gifts were misplaced or lost. Let me repeat that. Some gifts were misplaced or lost. For example, a seven-foot, three-inch by six-foot, two-inch oriental rug valued on the disclosure form at $1,200, and an inscribed Tiffany silver box valued at $271, were both, "on loan in the residence," but later, "misplaced by a staff member, never conveyed to the President." I think we have a gift record on display over there to quantify that.

The White House Counsel made some unusual rulings relating to gifts, which, frankly, were oddly reflected in the treatment of the gifts. For example, in the year 2000, counsel advised, "it would be a bad idea to accept," 10 shares of GE stock; and, as a result, the gift was returned to the sender. However, in 1997, there was a gift of 15 shares of Coca-Cola stock valued at $1,027 that the First Family chose to retain.

The Office of Government Ethics' rules state that a Federal employee shall not solicit a gift. I can cite you, Mr. Chairman, the actual place where it is, if you would like.

Nonetheless, in December 2000, after the former First Lady was elected a U.S. Senator but before her term began and she would be subjected to the Senate's gift rules, the former First Lady received $38,617 in china and sterling silver gifts purchased from Borsheim's in Omaha, NE. If you will look over here at Chart 1–B, you will see them listed. Unlike gifts from Tiffany's or Neiman Marcus or other fancy retailers which only require the name of the intended gift recipient to see his or her gift registry, Borsheim's Web site says, "Friends Wish List. View a friend's wish list. You will need their e-mail address and wish list password." We have three more charts over there on display just to give you some sense of that.

What this means is that a donor who purchased these gifts from Borsheim's needed to know both the former First Lady's personal e-mail address and personal password to access the registry and purchase items from her wish list.

$94,365 in 45 furniture gifts are especially remarkable in their complexity. We have another chart down here that goes through those. Usually, the chief usher for the executive residence decides if items should be accepted for the executive residence, and then the National Park Service sends an official thank-you letter as proof for the donor of his or her contribution to the Federal Government. However, in March 1993, the deputy counsel to the President directed the chief usher—this is unbelievable—directed the chief usher that certain items already received by the White House and certain items not yet received were to be accepted by the National Park Service for the executive residence. So, in effect, we were accepting gifts that hadn't yet been offered.

It is illegal to remove U.S. Government property. For instance, Mr. Chairman, you and I can't take our chairs home from where they sit behind our desks. After unfavorable press reports in February and March 2001, the former First Family returned 25 furniture items to the National Park Service. However, in September of that year, the National Park Service apparently returned two of these items back to the former First Family since neither had been officially accepted by the National Park Service for the White House residence. This points out a particular flaw in that we re-

ceive them and then for some reason or another the National Park Service didn't get the acceptance done, so in effect they legally remain the property of the First Family.

The question really then arises as to who got credit for giving them.

In addition, four furniture gifts were never disclosed on the former President's annual financial disclosure reports since the White House Counsel's Office stated that they were, "accepted," prior to the inauguration—that would be in January 1993—even though they were not received in the White House until July 20, 1993, 6 months after the inauguration.

So here we had a counsel saying you have to accept these gifts that haven't yet been offered, and then we have a second counsel saying it was a mistake to accept these gifts.

Last, the former First Family still have 21 more furniture items, none of which ever appeared in National Park Service's White House annual June inventory. Nineteen of these items, valued at $38,328, were received on December 1, 2001. That is, after the former First Lady was elected a U.S. Senator but before her term began.

The recommendations in the February hearing were as follows—and were received from these individuals as follows: Scott Harshbarger as President and CEO of Common Cause; Paul Light, the Director of Center for Public Service at Brookings Institute; Gregory S. Walden, a former associate counsel in the White House Counsel's Office, a former associate counsel in the White House Counsel's Office for President Bush, President Bush 41, and former ethics counsel for President-Elect George W. Bush's transition. And he is currently of counsel to Patton Boggs LLP, and the Honorable William H. Taft, IV, at the Department of State.

All three witnesses on panel one, that is, Messrs. Harshbarger, Light, and Walden, in their written statements or response to Member questions recommend that I refer this matter for criminal investigation by the Department of Justice.

On February 13th, I sent the Attorney General evidence relating to the solicitation, receipt, failure to report or conversion of Presidential gifts by the former President and First Lady. One of the documents I forwarded was Mr. Walden's written statement in a section captioned, "Evidence of widespread or systemic failures should be investigated," he concluded that such evidence could form the basis for a Department of Justice investigation of possible violations of 18 U.S. Code, Subsection 1001 regarding false statements, 18 U.S. Code, Subsection 641 regarding conversion of Federal property, and 5 CFR Subsection 2635.202(c)(1), (2), and (j) regarding solicitation of a gratuity.

Additionally, witnesses recommended that H.R. 1081 be amended to, first, disclose all gifts received over a minimal threshold; cap gifts over a certain threshold, excepting therefrom personalized honorific awards and gifts from relatives or foreign officials; prohibit acceptance of gifts during certain periods, and prohibit by statute the solicitation or coordination of gifts. After today's hearing, I intend to prepare amendments to my bill for consideration at a future markup.

In conclusion, the total value of gifts retained by the former First Family creates an appearance problem. The fact that so many gifts were undervalued raises many questions. The fact that gifts were misplaced or lost shows, at best, sloppy management and maybe something more. The fact that U.S. Government property that is the taxpayers' property, was improperly taken is very troubling. And, the fact that, after the former First Lady's election to the U.S. Senate before she was subject to the Congress' strict gift acceptance rules, she managed to schedule the acceptance of nearly $40,000 worth in furniture gifts, and that she participated in what appears to be a solicitation for $40,000 in fine china and silver, is disturbing at best. The fact of the matter is, public servants, including the President, including the members of the First Family, should not be able to enrich themselves with lavish gifts at any time whatsoever.

Mr. Chairman, the current system is broken and needs to be fixed. I believe that H.R. 1081 is a necessary first step, and I commend it to the committee. Thank you.

[The prepared statement of Hon. Doug Ose follows:]

**Chairman Doug Ose**
**Opening Statement**
**H.R. 1081, "Accountability for Presidential Gifts Act"**
**June 18, 2002**

The American people have the right to know what gifts were received and retained by their President. Donors should receive no unfair advantage in the policymaking process or other governmental benefits. Several laws, involving six Federal offices and agencies, govern the current system for the receipt, valuation, and disposition of Presidential gifts. Unfortunately, no single agency is ultimately responsible for tracking Presidential gifts.

In early 2001, there were press accounts of President Clinton's last financial disclosure report and furniture gifts returned by the Clintons to the White House residence. To prevent future abuses, I drafted a bill and asked Mr. Waxman to become an original co-sponsor. At his suggestion, the Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs, which I chair, spent 11 months gathering the empirical data to support this legislative effort. The Subcommittee investigated how the current system works and what legislative changes, if any, are needed to prevent future abuses of the Presidential gifts process.

In March 2001, I introduced H.R. 1081, "Accountability for Presidential Gifts Act." This bill establishes responsibility in one agency for the receipt, valuation and disposition of Presidential gifts.

On February 12, 2002, my Subcommittee held a hearing to present the results of its one-year investigation and to receive comments on my bill. At the hearing, I released a 55-page document summarizing the Subcommittee's findings. Mr. Chairman, I ask that you include my February 12th opening statement and this document in today's hearing record.

Today, I would like to summarize the following: how the current system works, my Subcommittee's investigation and findings, and recommendations made in my Subcommittee's hearing.

Current System

Here is how the current system works. The White House Gifts Unit is responsible for recording all domestic and foreign gifts received by the First Family, including the valuation and disposition of gifts. Under the Presidential Records Act of 1978, the National Archives and Records Administration (NARA) accepts gifts for Presidential libraries and stores Presidential gifts that are not immediately retained by the President but which can be recalled for possible retention by the President. Under a second law, the Department of the Interior's National Park Service (NPS) annually makes a snapshot inventory of public property in or belonging to the White House residence. In addition, NPS officially accepts gifts for the White House residence.

Under a third law, 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 to the First Family. Under a fourth law, the Office of Government Ethics

(OGE) receives annual financial disclosure reports 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 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 over a reporting threshold that a Federal employee (including the President) wishes to retain. In contrast, there is no statutory requirement for a commercial appraisal for domestic gifts over a reporting threshold.

Investigation and Findings

In its investigation, my 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 former Administration, and the White House Gifts Unit's database for the former Administration. The investigation revealed startling information about retained gifts, valuation of gifts, missing gifts, legal rulings about gifts, and other findings.

The White House gifts system had 94,178 gift records (many of which included multiple gift items) to the former First Family during the two-term Presidency. The former First Family retained one or more gift items in 16 percent (14,770) of these gift records. The former President disclosed on his annual financial statements less than 2 percent of these retained gifts (227 of 14,770), each valued at $260 or more. These 227 gifts totaled $361,968. An additional 26 retained gifts of $260 or more were not disclosed on these annual financial statements.

The former First Family was not required to disclose an additional 98 retained gifts, which were each valued just below the threshold (at $240 to $259). These 98 gifts totaled $24,012. 49 percent of these gifts were not appraised or otherwise independently valued.

The Subcommittee found that 69 percent of certain fair-trade gifts (i.e., brand name goods widely sold) were undervalued. **Chart III-C** includes examples of non-fair trade items which were probably undervalued, such as various collector's items.

Some gifts were "misplaced" or "lost." For example, a 7'3" x 6'2" oriental rug ( valued at $1,200) and an inscribed Tiffany silver box (valued at $271) were both "on loan in the Residence" but later "Misplaced by Staff Member, Never Conveyed to the President" (see a gift record example on display).

The White House Counsel made some unusual rulings relating to gifts, which were oddly reflected in the treatment of gifts. For example, in 2000, Counsel advised "it would be a bad idea to accept" 10 shares of General Electric stock and thus the gift was returned to the sender. However, the former First Family retained a 1997 gift of 15 shares of Coca-Cola stock, valued at $1,027.

OGE's rules state that a Federal employee shall not solicit a gift (5 CFR §2635.202(c)(2)). Nonetheless, in December 2000 (i.e., after the former First Lady was elected a U.S. Senator but

before her term began), the former First Lady received $38,617 in china and sterling silver gifts purchased from Borsheim's in Omaha, Nebraska (see **Chart I-B** on display). Unlike gifts from Tiffany's, Neiman Marcus and other fancy retailers which only require the name of the intended gift recipient to see his or her gift registry, Borsheim's website says "Friend's Wish List - View a friend's wish list (You will need their e-mail address and wish list password)" (see three more charts on display). This means that donors who purchased these gifts from Borsheim's needed to know both the former First Lady's personal e-mail address and personal password to purchase items from her "wish list."

$94,365 in 45 furniture gifts are especially remarkable in their complexity (see chart on display). Usually, the Chief Usher for the Executive Residence decides if items should be accepted for the Executive Residence and then NPS sends an official thank you letter as proof for the donor of his or her contribution to the Federal Government. However, in March 1993, the Deputy Counsel to the President directed the Chief Usher that certain items already received by the White House and certain items not yet received were to be accepted by NPS for the Executive Residence.

It is illegal to remove U.S. government property. Therefore, after unfavorable press reports, in February-March 2001, the former First Family returned 25 furniture items to NPS. However, in September 2001, NPS apparently returned two of these items back to the former First Family since neither had been officially accepted by NPS for the White House Residence. Also, four furniture gifts were never disclosed on the former President's annual financial disclosure reports since the White House Counsel's office stated that they were "accepted" prior to the inauguration even though they were not received in the White House until July 20, 1993 (i.e., six months after the inauguration). Lastly, the former First Family still have 21 more furniture items, none of which ever appeared in NPS's White House annual June inventory. 19 of these items, valued at $38,328, were received on December 1, 2001, i.e., after the former First Lady was elected a U.S. Senator but before her term began.

Recommendations in February Hearing

At the February 12, 2002 hearing, testimony was received from: Scott Harshbarger, President and Chief Executive Officer, Common Cause; Paul Light, Director, Center for Public Service, The Brookings Institution; Gregory S. Walden, former Associate Counsel, White House Counsel's Office, President George H.W. Bush and former Ethics Counsel for President-Elect George W. Bush's transition, currently Of Counsel, Patton Boggs LLP; and William H. Taft IV, Legal Advisor, DOS. All three witnesses on Panel I – Messrs. Harshbarger, Light, and Walden – in their written statements or in response to Member questions recommended that I refer this matter for criminal investigation by the Department of Justice (DOJ). Therefore, on February 13th, I sent the Attorney General evidence relating to the solicitation, receipt, failure to report, or conversion of Presidential gifts by the former President and First Lady. One of the documents I forwarded was Mr. Walden's written statement. In a section captioned "Evidence of widespread or systemic failures should be investigated," he concluded that such evidence could form the basis for a DOJ investigation of possible violations of 18 USC § 1001 (regarding false statements), 18 USC § 641 (regarding conversion of Federal property) and 5 CFR § 2635.202(c)(1), (2), (j) (regarding solicitation of a gratuity).

Additionally, witnesses recommended that H.R. 1081 be amended to: (a) disclose all gifts received over a minimal threshold, (b) cap gifts (except personalized, honorific awards and gifts from relatives or foreign officials) over a certain threshold, (c) prohibit acceptance of gifts in certain periods, and (d) prohibit the solicitation or coordination of gifts. After today's hearing, I intend to prepare amendments to my bill for consideration at future markup.

Conclusion

The total value of gifts retained by the former First Family creates at least an appearance problem. The fact that so many gifts were undervalued raises many questions. The fact that gifts were misplaced or lost shows sloppy management and maybe more. The fact that U.S. government property was improperly taken is troubling. And, the fact that, after the former First Lady's election to the U.S. Senate and before she was subject to the Congress' very strict gift acceptance rules, the former First Family accepted nearly $40,000 in furniture gifts and the First Lady solicited nearly $40,000 in fine china and silver is disturbing at best. Public servants, including the President, should not be able to enrich themselves with lavish gifts.

The current system is clearly broken and needs to be fixed. I believe that H.R. 1081 is a necessary first step.

Mr. HORN. I thank the gentleman. And now I am delighted that this morning we have Mrs. Maloney of New York and former ranking member on this subcommittee. And we are glad to see her back. So we are glad to see you.

**STATEMENT OF HON. CAROLYN B. MALONEY, REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK**

Mrs. MALONEY. Thank you, Mr. Chairman. And I really want to go on record in thanking you for your leadership and dedication in protecting the public's interests. I regret that you have made a decision not to run for reelection, but you have provided extraordinary leadership in this Congress and campaign finance reform and protecting families, working families, and just being plain fair to the minority and to the people of America.

But today it's an important hearing, and we will hear from experts from the executive branch as well as representatives from good, government watchdog organizations on the effectiveness or lack thereof of the current Presidential Gift Reporting Act.

From the beginning, Presidents and their families have received gifts. Take examples from the last three Presidents and—just to mention some of the gifts that they received: According to press accounts, the Reagans were given a $2.5 million retirement home in Bel Air. President George and Mrs. Barbara Bush were given a barbecue pit for their home. And china and furniture was given to the Clintons.

I am really not surprised by the generosity of American citizens. The First Family in many ways is loved and admired by millions of Americans and really watched like goldfish in a bowl. Today we will review whether or not the First Family have the right to accept gifts personally, and do they have some rights to privacy? What do and when should gifts be accepted on behalf of the U.S. Government and the American people? What are the limits? What triggers a personal gift or a gift to the Nation?

I support measures that add clarity to a confusing system. It is unfair to past presidents and the current occupant of the White House to require our Nation's leader to comply with a system that is flawed and unclear.

The Clintons had the White House ushers and curators offices' review and approve everything they removed from office or removed from the White House; yet, we saw a torrent of bad press stories last year when they left the White House.

I am deeply interested in today's testimony regarding Mr. Ose's bill. At this point I don't know whether Mr. Ose's bill or Mrs. Mink's bill is the correct fix, if more aggressive oversight by Congress is the answer, or if internal changes or modifications by the White House or Archivist's Office will suffice. I look forward to hearing the testimony of today's witnesses.

Again, a system is not a functioning system if the First Family follows the rules but still manages to be hurt by them. Bad policy not only impacts the President and First Lady, but helps to undermine the confidence of the American people in our government.

And I would like to just respond to some of the allegations that Mr. Ose made in his 56-page report and in his opening comments. He alleged that the gifts to the past President and First Lady were

undervalued. Yet, the White House Gift Unit of past administrations used certified appraisers, and the Clinton administration followed the same practice. The White House Gift Unit has for the Clintons and past administrations used donor or store information from which the item was purchased as a basis for gift valuation where the cost of the item is available. No First Family in recent times has been responsible for gift valuation. It's done by the House Gift Unit. So if it's undervalued, then the person or the organization that made the mistake is the House Gift Unit.

The House Gift Unit has not needed to appraise items such as hats, t-shirts, coffee mugs, handkerchiefs, hairbrushes, or calendars, as they are obviously below the reporting threshold.

And one thing that was missing from the report that, despite the fact that the prior administration followed the rules that are in place—I'm not saying that the rules might need to be changed. But they followed the rules that were in place, and they still took the unprecedented step of paying back—according to press accounts—$86,000 for gifts in 2000, including china and silver, for which they really, under the present gift guidelines, were not obligated to pay.

But I look forward to the testimony, and I thank the chairman for his leadership on so many important issues in this Congress. And I wish you would run for reelection, Mr. Chairman. We are going to miss you.

[The prepared statement of Hon. Carolyn B. Maloney follows:]

Statement of Congresswoman Carolyn B. Maloney of New York

before the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations of the House Government Reform Committee

June 18, 2002

Mr. Chairman, Congresswoman Schakowsky, thank you for your leadership and dedication to protecting the public's interest.

Today we will hear from experts from the Executive Branch, as well as representatives from good government watchdog organizations, on the effectiveness of the current presidential gift reporting process.

From the beginning, Presidents and their families have received gifts. Take the last three presidents, for instance, just look at some of the gifts that they received: according to press accounts, the Reagans' were given a $2.5 million dollar retirement home in Bel Air, President George and Mrs. Barbara Bush were given a barbecue pit for their Houston home, and china was given to the Clintons.

I am not surprised by the generosity of American citizens. The First Family is loved and admired by many millions and watched like a gold fish in a bowl. Does the First Family have the right to accept gifts personally and do they have some right to privacy? When do, and when should, gifts be accepted on behalf of the United States? What are the limits, what triggers a personal gift or a gift to the nation?

I support measures that add clarity to the system. It is unfair to past presidents and the current occupant of the White House to require our nation's leader to comply with a system that is flawed or unclear. The Clintons had the White House Usher's and Curator's offices review and approve everything they removed from the White House. The Clintons believed the gifts they kept, were gifts intended for them to keep. The Offices of the Usher and the Curator gave their approval. Yet, we saw a torrent of bad press stories last year when the Clintons left the White House.

I am interested in today's testimony regarding Mr. Ose's bill, HR 1081. At this point, I do not know if Mr. Ose's bill or Mrs. Mink's bill is the correct fix, if more aggressive oversight by Congress is the answer, or if internal changes or modifications by the White House or Archivist will suffice. I look forward to hearing the testimony of today's witnesses.

Again, a system is not a functioning system if the First Family follows the rules, but still manages to be hurt by them. Bad policy not only impacts the President and First Lady, but helps to undermine the confidence of the American people in our government.

Thank you, Mr. Chairman.

Mr. HORN. You are welcome to the precinct in Long Beach, California. You'd have to see the legislature and use your charm on them.

Mrs. Mink. She is on panel one. And we are delighted to have the distinguished Member from Hawaii. And she has a bill here, and we want to hear it.

**STATEMENT OF HON. PATSY T. MINK, REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII**

Mrs. MINK. Thank you very much, Mr. Chairman, and members of the subcommittee. I introduced H.R. 4776 a few months ago, and that bill actually is the product of an earlier hearing that I was privileged to attend in which this whole matter of Presidential gifts was discussed and testimony taken with respect to the flaws in the current system and things that needed to be corrected.

I am not really here to oppose our colleague Mr. Ose's bill, but to really advocate that we could avoid all of this embarrassment to the White House in the future if you would consider the bill which I proposed, which would literally make it impossible for the White House or the First Lady to accept any gift that was more valuable than $50, which is the current Senate rule.

It seems to me that if you go through the process of trying to streamline the current system, you only create and aggravate the situation. So I have come to the conclusion that, really, the White House, the President is such an enormous figure in our society and our form of government, and as the world looks upon the greatest power and the greatest leader that the world has, to trivialize the office by having to discuss from time to time flaws in the gift recording procedure or how much a gift was valued or should they accept it or should they not, I think is an affront to that high office.

So it would seem to me much more appropriate that the White House not be permitted to accept any. That's not to say that gifts are banned, because I think it is in the nature of our free society to give gifts, but to follow the procedures which we all abide by, and that particularly in the Senate which limits the value. So if the value of a gift exceeds the $50 limit, then it becomes the property of the United States. It can be recorded, it can be chronicalized in some file or whatever. But the point is, the gifts that are more higher value than $50 ought to be immediately considered property of the United States. It can be given to other departments or other entities or organizations, but it should not be considered the private property of the occupant of the White House. And I think that if we could enact a bill like mine, we could certainly avoid in the future any of this consternation over whether gifts of a certain nature ought to have been accepted in the first place.

So I would hope that this committee, in considering the bills that are pending before this committee, would look at the rules that apply to everybody else in the Federal Government—Federal employees, Members of the House, Members of the Senate. I don't think that we ought to use the word "gifts" are banned, because that is against the nature of a loving, caring, appreciative society. So people can give whatever they want to give; but, once given, it should become the property of the United States if it is valued in excess of $50.

I think typically we see the statistics that the White House receives over 15,000 gifts a year. It's an enormous number. I don't want to say that there should be less giving, but I think that a pronouncement of policy that the gifts that exceed the value of $50 belong to the people of the United States for such disposition as the law may allow would certainly eliminate this contention after the end of every presidency.

So I would hope that this bill would be added to the table for discussion, and I ask now that my testimony be inserted in the record at this point. Thank you.

Mr. HORN. Without objection, it will be in the record at this point. Thank you very much for your presentation.

Mrs. MINK. Thank you very much.

Mr. HORN. When we consider this for markup, we certainly will have H.R. 4776 before us.

Mrs. MINK. Thank you very much.

Mr. HORN. You are quite welcome.

[The prepared statement of Hon. Patsy T. Mink follows:]

MINORITY WHIP-AT-LARGE

DEMOCRATIC CAUCUS
EDUCATION TASK FORCE
CO-CHAIR

COMMITTEES:
EDUCATION AND THE WORKFORCE
SUBCOMMITTEES:
21ST CENTURY COMPETITIVENESS
RANKING MEMBER
WORKFORCE PROTECTION

GOVERNMENT REFORM
SUBCOMMITTEES:
ENERGY POLICY, NATURAL RESOURCES AND REGULATORY AFFAIRS
TECHNOLOGY AND PROCUREMENT POLICY

Patsy T. Mink
Congress of the United States
2nd District, Hawaii

2210 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1102
PHONE: (202) 225-4906
FAX: (202) 225-4987
http://www.house.gov/writerep/
WEB:http/www.house.gov/mink

HAWAII OFFICE:
5104 PRINCE KUHIO FEDERAL BUILDING
HONOLULU, HI 96850-4974
PHONE: (808) 541-1986
FAX: (808) 538-0233

BIG ISLAND: 935-3756
MAUI: 242-1818
KAUAI: 245-1951

**Testimony by**
**CONGRESSWOMAN PATSY T. MINK OF HAWAII**
**Before the Government Reform Subcommittee on Efficiency, Financial Management and Intergovernmental Relations**
**In Support of Improving the Accountability of Presidential Gifts**

**June 18, 2002**

Patsy T. Mink

Mr. Chairman and Members of the Subcommittee,

Thank you for inviting me to discuss my bill, HR4776, regarding Presidential gifts.

During a hearing on February 12, 2002, Congressman Ose submitted an 80-page document explaining how the system used to record gifts during the Clinton Administration failed to properly identify, document, and appraise many items. Gifts in every administration have raised questions as to propriety.

The President of the United States typically accepts over 15,000 gifts every year. While gifts given by foreign officials are transferred to the National Archives though the White House Gift Unit, there are few limits on gifts given by citizens of the United States. Currently, the President can accept domestic gifts of any value.

I support Congressman Ose's proposal to create an inventory of all presidential gifts. By giving the public an opportunity to review what is given to the President, it will encourage future administrations to avoid gifts that could lead to questions about the appropriateness of the President's subsequent actions.

However, I believe it's time for stronger measures. Federal employees who receive gifts must abide by the detailed Ethics Reform Act of 1989. Representatives and Senators must follow the comprehensive code of ethics established by their respective ethic committees. The President should have a similar code of conduct.

My bill will make the President and First Lady abide by the gift rules currently used by Senators. Under my bill, the President or the spouse of the President may accept gifts that have a value of less than $50. Other gifts will be accepted on behalf of the United States and will be treated as the property of the people of the United States.



PRINTED ON RECYCLED PAPER

My bill will help protect the Office of the Presidency from embarrassing questions that often surround gifts given to an elected official, questions like what was the quid pro quo.

Mr. HORN. We will now go to the panel two: The Archivist of the United States, John W. Carlin; the Special Assistant to the National Park Service, Department of the Interior, Mr. Smith; the president and chief executive officer of Common Cause, Scott Harshbarger; Paul C. Light, the director, Center for Public Service, the Brookings Institution; and we will conclude this panel two with Gregory S. Walden, esquire, of Patton Boggs, LLP, who is thoroughly knowledgeable in this under previous administrations.

So, as you know, we do swear in witnesses.

[Witnesses sworn.]

Mr. HORN. Are there any assistants in back of you that will be giving testimony? If that's the case, we will swear them in now so we don't have to be disruptive. Anybody in the Archives?

Mr. CARLIN. Not directly, but I may consult with them on a detailed question.

Mr. HORN. That's OK. Just as long as you mouth it. It might be his brain, but—OK. We are delighted to have the Archivist of the United States here, the Honorable John W. Carlin. OK, Governor, it's all yours.

**STATEMENTS OF JOHN W. CARLIN, ARCHIVIST OF THE UNITED STATES; P. DANIEL SMITH, SPECIAL ASSISTANT TO THE DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR; SCOTT HARSHBARGER, PRESIDENT AND CHIEF EXECUTIVE OFFICER, COMMON CAUSE; PAUL C. LIGHT, DIRECTOR, CENTER FOR PUBLIC SERVICE, THE BROOKINGS INSTITUTION; AND GREGORY S. WALDEN, ESQUIRE, PATTON BOGGS LLP**

Mr. CARLIN. Mr. Chairman, Mrs. Maloney, Mr. Ose, I am John Carlin, Archivist of the United States; and I certainly thank you for the opportunity to share the views of the National Archives and Records Administration on H.R. 1081, the Accountability for Presidential Gifts Act.

Before proceeding, Mr. Chairman, I want to take a moment to thank you, you personally, for all the work that you have done over the years to serve scholarship and support the foundation of freedom that we preserve and serve every day from the National Archives. There are few in public service that understand our mission from the perspective of both the scholar and the public servant, and we would put you first in that category. We certainly wish you the best as you go to your other challenges and look forward to your transition from being a custodian of our services to again being a customer of our services.

As we are here to today to discuss the Presidential gift legislation, I would like to just take a moment to reflect on the importance of the Presidential gift collections. The gifts that are on deposit and display in the Presidential libraries add to the public's understanding of the President and of the Presidency, and they document in a way that records cannot the stages of a President's life, the important policy decisions of his administration, various world and national events, and topics of historical or current interest. We approach the subject from the perspective of the agency that can attest to the ongoing worth and historical significance of these collections.

As to H.R. 1081, Mr. Chairman, we appreciate that you share our view of the importance of the Archives' role in preserving the Presidential gift collections and that Mr. Ose and his staff recognize the important mission carried out by the National Archives for the American people. Any archives has to consider first and foremost the accountability and authenticity of what it preserves and makes available for research. However, one way to protect that accountability and integrity is to argue against expansion of our mission into areas that are the proper purview of others, that we would argue are currently being handled in a proper and appropriate manner.

Mr. Chairman, while we appreciate your concern with the importance of an accountability in the gift process and your trust in our ability to carry it out, the National Archives and Records Administration feels that this legislation goes beyond what is necessary and that the improvements made in the current system have already corrected the deficiencies identified in the findings section of the bill. In fact, some of the improvements we have implemented in this system have come about due to Mr. Ose's attention to this matter and our agreement that incremental change was in order. It is the necessity for additional change with which I respect fully disagree.

I would like to outline our five principal concerns with the approach taken in the proposed legislation and submit for the record a summary of the current system that we administer in providing courtesy gift and record storage for the White House.

First, H.R. 1081 would require the Archivist of the United States to staff or supervise functions wholly duplicative of those currently being performed. As the Addendum explains in detail, inventories of Presidential gifts are already maintained by the National Archives and the White House Gift Office, who both play a distinct and important role in the handling and disposition of Presidential gifts. So we do not see a practical need for the additional inventory that the legislation contemplates.

Moreover, there is a significant practical problem with the proposal that the Archivist maintain a current inventory of all Presidential gifts. While the National Archives maintains a inventory of gifts deposited by the White House with NARA for courtesy storage, the only way that the National Archives can ensure the accuracy of the required inventory of all Presidential gifts would be to staff the entire chain of custody from receipt by the President to ultimate disposal. In other words, the Archivist would be required to completely duplicate the functions of the current White House Gift Office and possibly both the National Park Service and GSA units as well, depending on one's interpretation of the legislation. This approach seems neither prudent nor practical and would constitute a significant intrusion on the White House's traditional role in managing the gift process for the President.

Second, section 2 of the proposed bill specifies that the Archivist of the United States must report to Congress each proposed disposition of a Presidential gift with a value greater than $250. Although this may not be the legislative intent, as written it appears to require the Archivist to make a report to Congress before the President can personally accept any gift. This process would add

layers of complexity to the current process and cause unnecessary confusion about which agent has custody of each gift before the disposition has been reported to Congress. Equally important, it would unnecessarily and inappropriately intrude on the President's traditional prerogative.

Third, as currently drafted, H.R. 1081 does not address the existing framework of controlling statutes and regulations in the traditional necessary distinctions among personal gifts to the President, official gifts accepted by the President on behalf of the American people, and gifts received by the National Park Service for the permanent White House collection. This complex system of controlling laws, while partially based on the appraised value of the gift or the intent of the donor, also recognizes that in many cases it is the decision of the President that determines the route and final disposition of the gift. As a practical matter, the administration of such a system can only appropriately be managed in the Executive Office of the President and under the current delegations of authority.

As well, the National Archives believes that the procedures and management controls associated with our current responsibilities for White House gifts are sufficient and do not require legislative change. Over the last several years, NARA has undergone an independent Inspector General review of our gifts operation, updated and formalized written procedures for the National Archives courtesy storage unit, added a new staff of professionals to ensure proper handling and preservation of gifts in our custody, and regularly reviewed our management controls.

Finally, we would question whether the central accountability problem assumed in the legislation exists today. It has been our experience that the current administration is paying careful attention to management controls associated with such functions and that proper procedures are currently in place to mitigate risk of reoccurrence.

Mr. Chairman, this administration shares your commitment to the importance of ensuring that adequate rules and procedures exist to manage and account for Presidential gifts. Responsibility for that process must be and is shared under the current system by the White House, the National Archives, and the Office of Government Ethics, among others. For the reasons I have explained, we do not believe the H.R. 1081 is a necessary or appropriate means of furthering that goal.

Mr. Chairman, I would like to submit as an addendum to my testimony a summary of the procedures currently in place at NARA to administer the gifts and courtesy storage for the White House; and, obviously, I would be happy to respond to any questions at the appropriate time.

Mr. HORN. Without objection, that document will be in the record at this point.

Mr. CARLIN. Thank you.

[The prepared statement of Mr. Carlin follows:]

**STATEMENT**
**by John W. Carlin**
**Archivist of the United States**
**National Archives and Records Administration**
**to the**
**Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations**
**of the**
**Committee on Government Reform**
**House of Representatives**
**Congress of the United States**
**on**
**HR 1081, Accountability for Presidential Gifts Act**

**June 18, 2002**

Chairman Horn, Congresswoman Schakowsky, and members of the Subcommittee, I am John Carlin, Archivist of the United States and I thank you for the opportunity to share the views of the National Archives and Records Administration on HR 1081, Accountability for Presidential Gifts Act. Before proceeding Mr. Chairman, I want to take a moment to thank you for all of the work that you have done over the years to serve scholarship and support the foundation of freedom that we preserve and serve everyday from the National Archives. There are few in public service that understand our mission from the perspective of both the scholar and the public servant and we would put you first in that category. We wish you the best as you go on to other challenges and look forward to your transition from being a custodian of our services to being a customer of our services.

We are here today to discuss presidential gift legislation and I would like to take just a moment to reflect on the importance of the Presidential gift collections. The gifts that are on deposit and display in the Presidential Libraries add to the public's understanding of the President and the Presidency. They document in a way that the records cannot the stages of a President's life, the important policy decisions of his Administration, various world and national events, and topics of historical or current interest. We approach this subject from the perspective of the agency that can attest to the ongoing worth and historical significance of these collections.

As to HR 1081, Mr. Chairman, we appreciate that you share our view of the importance of the Archives' role in preserving the Presidential gift collections and that Mr. Ose and his staff recognize the important mission carried out by the National Archives for the American people. Any archives has to consider first and foremost the accountability and authenticity of what it preserves and makes available for research. We share that ideal of integrity with all of the archives of the world and are carrying it out on a daily basis. However, one way we protect that accountability and integrity is to argue against expansion of our mission into areas that are the

proper purview of others, that we would argue are currently being handled in a proper and appropriate manner.

Mr. Chairman, we have made no secret of the fact that while we appreciate your concern with the importance of accountability in the gift process and your trust in our ability to carry them out, the National Archives and Records Administration feels that this legislation goes beyond what is necessary and that the improvements made in the current system have already corrected the deficiencies identified in the findings section of the bill. Speaking only for myself, Mr. Chairman, in the spirit of the integrity that I previously claimed for my institution, some of the improvements that I have implemented in this system have come about due to Mr. Ose's attention to this matter and my agreement that incremental change was in order. It is now the necessity for additional change upon which I respectfully disagree.

I'd like to outline our five principal concerns with the approach taken in the proposed legislation and submit for the record a summary of the current system that we administer in providing courtesy gift and records storage for the White House.

First of all, HR 1081 would require the Archivist of the United States to staff or supervise functions wholly duplicative of those currently performed by the National Archives, the White House Gift Office and the National Park Service. As the Addendum explains in detail, however, inventories of Presidential gifts are already currently maintained by the National Archives and the White House Gift Office, each of which plays a distinct and important role in the handling and disposition of Presidential gifts. We thus do not see a practical need for the additional inventory that the legislation contemplates. Moreover, there is a significant practical problem with the proposal that the Archivist "maintain a current inventory of all Presidential gifts". While the National Archives maintains an inventory of gifts deposited by the White House with NARA for courtesy storage, the only way that the National Archives could ensure the accuracy of the required inventory of all Presidential gifts would be to staff the entire chain of custody -- from receipt by the President to ultimate disposal. In other words, the Archivist would be required to completely duplicate the functions of the current White House Gift Office (and possibly both the National Park Service and GSA units as well, depending on one's interpretation of the legislation). This approach would seem neither prudent nor practical, and would constitute a significant intrusion on the White House's traditional role in managing the gift process for the President.

Secondly, section 2 of the proposed bill specifies that the Archivist of the United States must report to Congress each *proposed* disposition of a Presidential gift with a value greater than $250. Although this may not be the legislative intent, as written it appears to require the Archivist to make a report to Congress *before* the President can personally accept any gift. This process would add layers of complexity to the current process and cause unnecessary confusion about which agent has custody of each gift before the disposition has been reported to Congress. Equally important, it would unnecessarily and inappropriately intrude on the President's traditional prerogatives.

Thirdly, as currently drafted, HR 1081, does not address the existing framework of controlling statutes and regulations and the traditional, necessary distinctions among personal gifts to the

President, official gifts accepted by the President on behalf of the American people and gifts received by the National Park Service for the permanent White House Collection. This complex system of controlling laws, while partially based on the appraised value of the gift, or the intent of the donor, also recognizes that in many cases it is the decision of the President that determines the route and final disposition of the gift. As a practical matter, the administration of such a system can only appropriately be managed in the Executive Office of the President and under the current delegations of authority.

As well, the National Archives believes that the procedures and management controls associated with our current responsibilities for White House gifts are sufficient and do not require legislative change. Over the last several years, NARA has undergone an independent Inspector General review of our gifts operation, updated and formalized written procedures for the National Archives courtesy storage unit, added new staff professionals to ensure proper handling and preservation of gifts in our custody, and regularly reviewed our management controls.

Finally, we would question whether the central accountability problem assumed in the legislation exists today. It has been our experience that the current administration is paying careful attention to management controls associated with such functions and that proper procedures are currently in place to mitigate risk of recurrence. Certainly from NARA's perspective, as I explained above, the procedures and controls now in place with respect to NARA's responsibilities for receipt and handling of gifts are adequate to ensure accountability without the need for additional legislative action as contemplated by HR 1081.

Mr. Chairman, this Administration shares your commitment to the importance of ensuring that adequate rules and procedures exist to manage and account for Presidential gifts. Responsibility for that process must be and is shared under the current system by the White House, the National Archives and the Office of Government Ethics, among others. For the reasons I have explained, we do not believe the HR 1081 is a necessary or appropriate means of furthering that goal.

Mr. Chairman, I would like to submit as an addendum to my testimony a summary of the procedures currently in place at NARA to administer the gifts in courtesy storage for the White House. I would be happy to respond to any questions at the appropriate time.

## Addendum

**Procedures for Handling the Presidential Gift Collection by the National Archives and Records Administration**

**The Presidential Gift Collection**

Every four to eight years with the change of each Presidential administration, National Archives and Records Administration (NARA) assumes the responsibility of providing courtesy storage for a new collection of records and gifts. Almost immediately, the President and his family begin to receive gifts from around the world. These gifts are given by leaders of nations, foreign officials, and private citizens alike.

For over thirty years, the National Archives has provided storage and care for incumbent Presidential gifts. Beginning in 1984, a new program for caring for Presidential gifts was instituted whereby NARA would transfer Presidential gifts on a regular basis from the White House Gift Office to the National Archives building to be preserved, wrapped and packaged for eventual shipment to the future Presidential project/library. This courtesy storage program for incumbent Presidential gifts remains in effect today, although it has been modified and improved over the years. It not only assists the President, but it also facilitates NARA in ensuring the preservation in one institution of both the records of the President and the gifts that he received, further adding to the understanding of the President, the Presidency, and the cultural and historical times of his administration.

NARA's Presidential Materials Staff (NLMS) provides courtesy storage for the records and historical materials created or received by the incumbent Presidential Administration. These materials are held for storage, servicing and initial processing pending eventual transfer to a Presidential library or Presidential materials project at the end of each administration. In the mean time, these materials remain fully available for recall by the incumbent Administration. By holding these materials at the National Archives facility, NLMS can establish basic physical and intellectual control over the records and historical materials and also ensure proper, curatorial standards for the preservation and security of these items. Throughout the courtesy storage phase of their life cycle, the records generated by the White House remain the key archival documentation on all materials in courtesy storage, with the understanding that these records will be transferred to NARA at the end of the administration. Any additional logs or files created by NARA are considered an adjunct to these records, and are based on information provided (volunteered) by the White House, and are created with the sole purpose of assisting with the control, tracking and proper care of the materials at hand.

**White House Gift Office Handling of Presidential Gifts**

The White House Gift Office (WHGO), which is part of the White House Correspondence Office, records, tracks, and appraises Presidential gifts, responds to donors, and assists in the requisite reporting requirements. Each gift, some containing multiple parts, is given a unique

identification number used by the White House and NARA to track gifts. Each gift is described by the WHGO for correspondence purposes, and identified as a Foreign Official gift or a Domestic gift (from a US or foreign private citizen). This information is managed by the WHGO through both paper files and its own electronic database. The WHGO also decides the disposition of Presidential gifts, the substantial majority of which are accepted on behalf of the American people and transmitted to NARA on courtesy storage for eventual deposit in the Presidential Library. Other dispositions may include retention by the President, return to donor, or destruction for reasons of security.

**NLMS Procedures for Presidential Gifts on Courtesy Storage**

*NLMS Gift Pickups*

At the White House Gift Office's request, the Presidential Materials Staff transfers Presidential gifts from the White House Gift Office to the Archives 1 building. Gift pickups are scheduled on a weekly basis, are assigned a sequential number by NLMS and logged in a trip log together with the date of the pickup and signatures of each participating NLMS staff.

NLMS receives two copies of each Gift Record with each gift: one pink, one green (the 'green sheet'). While in the WHGO, the NLMS staff reviews the paperwork to ensure that each object is clearly described, that all parts are accounted for, that the gift has been assigned a value by the White House Gift Office, and is designated for disposition with NARA. The pink copy of the Gift Record is packed along with each gift into one of several transport bins. The green sheet is stamped and annotated by the NARA staff with the trip number, date and staff initials. The WHGO staff retains the green sheets long enough to enter trip numbers into their database, usually 48 hours or less. When this is completed, the green sheets are picked up by NARA and maintained as Presidential Records. Meanwhile, the bins are locked and transported back to Archives and stored in a secure holding vault.

*Gift Processing At NARA*

At NARA, the NLMS staff makes an additional copy set of the green sheets for security purposes. This procedure dates to early in the current Bush administration. NLMS staff re-unites the green sheets with each gift. As an added precaution, certain gifts are photographed including: foreign official; high-value domestic gifts (appraised value over $1,000); and any gifts bearing a likeness of the President. The bulk of the gifts are immediately packed for preservation purposes, then containerized with the pink sheet for intellectual control. The green sheets are collected together by box number for data entry. After data entry, the green sheets are annotated with the appropriate box number and data entry date. Green sheets are filed as a series in box number order, and maintained in a secure area with limited access. Access to the database is also restricted.

*The NLMS Gift Database*

The NLMS Gift database was created near the beginning of the Clinton administration to facilitate retrieval of gifts by NLMS for the WHGO and improved on the earlier practice of manually searching the paper files. This early database included the Gift ID, brief description, trip number, box number, and donor. It also tagged gifts that had photographic records. It was divided into several different tables to reflect the general divisions in collection storage: Foreign Head of State gifts, Domestic gifts, Domestic book and Audiovisual gifts and Staff gifts, with a separate table recording recalls.

In 1997, the Presidential Materials Staff was created as part of the Office of Presidential Libraries and included a museum component. After a professional curatorial staff was added, the level of detail of the gift database expanded, with hopes that it might become a more comprehensive tool for intellectual control, physical control and security. Also, the curatorial staff hoped to facilitate future use by the Curator, exhibit designers and other researchers once the materials were transferred to the future Presidential Materials Project or Presidential Library. Database improvements included breaking out gift records so that gifts with many parts could receive separate description and tracking for each part. Fields were also added to the general tables for class and object designations, for the donor's city and state/country, for whom the gift was intended, and for inventory codes. At this point, further electronic modifications were made to track recalls and returns. It is this database system that is currently used to track the Presidential gifts of George W. Bush.

Currently, NLMS is implementing a state-of-the-art software program tailored to the management of museum collections. Improvements include: the accumulation of a complete location history for each gift as a permanent part of its record; extensive features for creating and managing condition and loan files; and the potential of incorporating digital images. This software management tool is being implemented throughout the Presidential Library system.

*Unpacked gifts and high value gifts*

Historically, the packing of certain gifts has been delayed because of gifts' size, fragility or preservation needs. A new procedure has been implemented that allows for tracking of these unpacked gifts by using a special location code. In addition, very high value gifts are stored in a locked cabinet, documented immediately and assigned a special location code. Both unpacked gifts and high value gifts are inventoried every six months.

*Gift Recalls*

Requests for recalls by the incumbent President are made in writing through the WHGO. The WHGO faxes their request to NARA using a standardized recall request sheet created by NLMS. Once the items are located, they are returned to the WHGO along with the pink copy of the paperwork. Beginning in June 2002, NLMS staff delivering the gift and WHGO staff receiving it both sign the recall request sheet and note the date and time of delivery. This change more fully documents the recall process and the current location of the gift. The recall request along

with the green sheet for each recalled gift is maintained by NLMS in a permanent chronological file. If recalled gifts are returned to NARA, they are accompanied by fresh paperwork, but retain their original gift ID number.

The recalls are tracked in multiple tables within the gift database to ensure comprehensive intellectual and physical control. The recall table includes fields for the gift ID, the recall date, a brief description, and the return date, should the item come back to NARA. An inventory field in the general gift tables is used to code a particular gift or gift part as recalled. For any gifts or gift parts not yet in the database at the time of recall, a complete record is created in the general tables at that time. In order to track returns, all new gift entries are checked at the outset of the data entry process against the recall table to reveal any returned items. The return date is entered into the recall table, and in the general tables, the flag is removed from the inventory field of the existing record and new box and trip numbers assigned. The original box and trip numbers are preserved on the original green sheet, in the recall file.

**Summary of NLMS's newest procedures for the incumbent Presidential administration**

1. Gift records are broken out into parts, and each part documented and tracked separately.
2. A security copy of green sheets for each trip is maintained undisturbed in secure storage.
3. Gifts for which packing will be delayed and very high value gifts are documented and tracked from early on in the gift processing sequence.
4. Recall returns, in addition to recalls, are fully documented, tracked and dated.
5. Recall deliveries, including the date, time and staff involved, are fully documented.
6. NLMS conducts regular inventories of gifts on courtesy storage. Unpacked and high value items are inventoried every 6 months. For the remaining collection, NLMS conducts an annual inventory of 5% of the collection, in accordance with NARA-wide standards for museum collections.

Mr. HORN. We now move ahead to P. Daniel Smith, Special Assistant to the Director of the National Park Service, Department of the Interior.

Mr. Smith, we are glad to have you here.

Mr. SMITH. Thank you, Mr. Chairman. I would like to submit my entire testimony for the record and summarize it.

Mr. HORN. It's automatically in the minute I call on you. Everything is put in right then.

Mr. SMITH. Mr. Chairman, thank you for the opportunity to appear before your committee to present the views of the Department of the Interior on H.R. 1081. The Department does not believe that the provisions in this bill pertaining to the National Park Service are necessary at this time. Existing authorities provide adequate processes for the National Park Service to accept donations for the White House and to maintain an annual inventory.

The National Park Service accepts donations for the White House pursuant to two different legal authorities. The first authority allows the Director of the National Park Service, when authorized and directed by the White House Chief Usher or Curator, to accept donations of works of art, furnishings, and historic materials for the executive residence of the White House to become the property of the U.S. Government. The Director of the National Park Service has held this responsibility since 1933 under executive order; and this responsibility to accept donations for the White House on behalf of the United States was further authorized by Congress on June 25, 1948, under U.S.C. Title 3, Section 110, whereby the Director of the National Park Service was authorized and directed, with approval of the President, to accept donations of works of art, furnishings, and historical materials for use in the White House.

Section 109 of this same act also directed the Director of the National Park Service to complete an annual inventory to be submitted to the President for approval.

Since 1948, the National Park Service has accepted donations and performs its responsibilities in accordance with this legislation. The National Park Service accepts gifts only on behalf of the United States for use in the executive residence of the White House and does not accept gifts that are donated personally to the President. This is the responsibility of the White House Gift Office.

The National Park Service staff has worked closely with the White House Chief Officer and Curator on procedures for accepting donations for the White House and for inventorying this property. When the National Park Service receives a request from the White House Curator—for museum-related donations—or the Chief Usher—for non-museum property donations—to accept a donation for the executive residence of the White House, the Park Service sends an official letter to the donor acknowledging and accepting this donation to the White House on behalf of the U.S. Government to become government property. The Curator and Chief Usher receive copies of the official letter of an acceptance sent to the donor.

In addition, for donations to the White House museum collection, the chair of the Committee for the Preservation of the White House, a position held by the Director of the National Park Service, sends a Committee for the Preservation of the White House Certificate of Appreciation to the donor.

The staff at the White House Curator's Office enters the information for donated items into the White House museum and inventory system. The National Park Service and the Office of Curator staff physically inventory all items donated to the White House museum collection and other property donated to the Executive Residence at the White House during the annual inventory process as required by U.S. Code, Title 3, Section 109. That process is beginning this month at the White House.

As a result of concerns raised last year, the Office of the Curator at the White House took the lead on reviewing the donation procedures and did so in consultation with the National Park Service. This review resulted in detailed, specific, written procedures pertaining to what actions are required, beginning with when a donation is offered to the Chief Usher or the Curator until it is accepted by the National Park Service and becomes property of the U.S. Government, either as part of the White House Museum Collection or as property of the Executive Residence at the White House.

Under the revised donation procedures developed by the Office of the Curator, the National Park Service now receives copies of the documentation for museum-related donations and for non-museum property donations. That documentation now includes a letter of intent from the donor and a copy of a, "Acknowledgment of Donation," form issued by the Curator or Chief Usher. The documentation is used to prepare the National Park Service letters of acceptance. The National Park Service acceptance letter to the donor makes it explicitly clear that the National Park Service accepts the donation to become the property of the United States.

A second manner in which the National Park Service may receive donations for the benefit of the White House is through the National Park Service's general donation authority, which is found in U.S.C. Title 16, Section 6.

In summary, the well-established system for the National Park Service to receive donations to the Executive Residence of the White House provide ample safeguards to ensure proper accountability for these donations. The Department also shares the concerns by the National Archives and Records Administration and the Office of Government Ethics that various features of the proposed legislation are wholly duplicative of current functions required under statutes and unnecessary to ensure sufficient and appropriate oversight of the gift donation process.

Mr. Chairman, this completes my prepared statement. I look forward to answering any questions you or the committee members may have.

Mr. HORN. I thank you.

[The prepared statement of Mr. Smith follows:]

**STATEMENT OF P. DANIEL SMITH, SPECIAL ASSISTANT TO THE DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS, HOUSE COMMITTEE ON GOVERNMENT REFORM, CONCERNING H.R. 1081, TO DIRECT THE ARCHIVIST OF THE UNITED STATES TO MAINTAIN AN INVENTORY OF ALL GIFTS FROM DOMESTIC SOURCES FOR THE PRESIDENT, THE EXECUTIVE RESIDENCE AT THE WHITE HOUSE, OR A PRESIDENTIAL ARCHIVAL DEPOSITORY.**

**June 18, 2002**

---

Mr. Chairman, thank you for the opportunity to appear before your committee to present the views of the Department of the Interior on H.R. 1081, a bill which would among other things direct the Archivist of the United States to maintain an inventory of all gifts from domestic sources for the President, the Executive Residence at the White House, or a Presidential archival depository. The Department does not believe that the provisions in this bill pertaining to the National Park Service are necessary at this time. Existing authorities provide adequate processes for the National Park Service to accept donations for the White House and maintain an annual inventory.

The National Park Service accepts donations for the White House pursuant to two different legal authorities. The first authority allows the Director of the National Park Service, when authorized and directed by the White House Chief Usher or Curator, to accept donations of works of art, furnishings, and historic materials for the Executive Residence of the White House to become the property of the United States Government. The Director of the National Park Service has held this responsibility since June 10, 1933, when an Executive Order signed by President Franklin D. Roosevelt transferred the responsibilities of the Public Buildings and Public Parks of the National Capital to the

National Park Service including the Executive Residence of the White House. This responsibility to accept donations for the White House, on behalf of the United States was further authorized by Congress on June 25, 1948, under U.S. Code Title 3 Section 110, whereby the Director of the National Park Service was authorized and directed, with the approval of the President, to accept donations of works of art, furnishings, and historical materials for use in the White House. Section 109 of this same act also directed the Director of the National Park Service, to complete an annual inventory to be submitted to the President for approval. This inventory includes all public property (donated and purchased) in and belonging to the Executive Residence at the White House. Since 1948, the National Park Service has accepted donations and performs its responsibilities in accordance with this legislation. The National Park Service only accepts gifts on behalf of the United States for use in the Executive Residence of the White House and does not accept gifts that are donated personally to the President. This is the responsibility of the White House Gift Office.

Over the years, the National Park Service staff has worked closely with the White House Chief Usher and Curator on procedures for accepting donations for the White House and for inventorying this property. When the National Park Service receives a request from the White House Curator (for museum-related donations) or the Chief Usher (for non-museum property donations) to accept a donation for the Executive Residence at the White House, the National Park Service sends an official letter to the donor acknowledging and accepting this donation to the White House on behalf of the United

States Government to become government property. The Curator and Chief Usher receive copies of the official letter of acceptance sent to the donor.

In addition, for donations to the White House museum collection, such as a watercolor drawing of the White House as it appeared circa 1867, the Chair of the Committee for the Preservation of the White House (a position held by the Director, National Park Service) sends a *Committee for the Preservation of the White House Certificate of Appreciation* to the donor. The certificate is signed by the Director, National Park Service, as Chair of the Committee, and the First Lady, as honorary Co-Chair.

The staff at the White House Curator's Office enters the information for donated items into the White House museum and inventory system. The National Park Service and the Office of the Curator staff physically inventory all items donated to the White House Museum Collection and other property donated to the Executive Residence at the White House during the annual inventory process as required by U.S. Code Title 3 Section 109. All donated items to the White House Museum Collection and other property donated to the Executive Residence at the White House have a unique tracking number assigned to them by the Office of the Curator at the White House. Items for the White House Museum Collection are stored in museum-quality facilities in the Washington DC area or within the Executive Residence at the White House. The National Park Service operates the off-site museum storage facility. This facility meets the current accepted museum standards for the care and preservation of museum collections.

Under the reporting requirements of Section 3 of the proposed legislation, the Department would be required to provide the National Park Service acceptance letter sent to a donor and the information provided to the National Park Service by the White House Chief Usher or Curator to the Archivist of the United States. This would create a duplicative inventory of what already exists in National Park Service records of donations to the White House Museum Collection and the donations to the Executive Residence at the White House.

As a result of concerns raised last year, the Office of the Curator at the White House took the lead on reviewing the donation procedures and did so in consultation with the National Park Service. This review resulted in detailed specific written procedures pertaining to what actions are required beginning with when a donation is offered to the Chief Usher or the Curator until it is accepted by the National Park Service and becomes property of the United States Government, either as part of the White House Museum Collection or as property of the Executive Residence at the White House. The steps described above outline the current procedures that are in place.

Under the revised donation procedures developed by the Office of the Curator, the National Park Service now receives copies of the documentation for museum-related donations and for non-museum property donations. That documentation now includes a letter of intent from the donor and a copy of the "Acknowledgement of Donation" form issued by the Curator or Chief Usher. The documentation is used to prepare the National Park Service letters of acceptance. The National Park Service acceptance letter to the

donor makes it explicitly clear that the National Park Service accepts the donation to become the property of the United States.

The second manner in which the National Park Service may receive donations for the benefit of the White House is through the National Park Service's general donation authority, which is found in U.S. Code Title 16 Section 6 (authorized on June 5, 1920). The procedures described above, i.e. the letter of intent and National Park Service acceptance letter, also apply to donations accepted under this authority.

In summary, the well-established systems for the National Park Service to receive donations to the Executive Residence of the White House provide ample safeguards to assure proper accountability for these donations. The Department shares the concerns raised by the National Archives and Records Administration and the Office of Government Ethics that various features of the proposed legislation are wholly duplicative of current functions required under statutes and unnecessary to ensure sufficient and appropriate oversight of the gift donation process. For example, it is unclear what steps Section 3, § 2208(e) of the proposed legislation would require regarding our authority to acceptance donations on behalf of the United States Government as authorized by the Act of June 25, 1948, under U.S. Code Title 3 Section 110.

Mr. Chairman, thank you for the opportunity to comment. This concludes my prepared remarks and I will be happy to answer any questions you or other committee members might have.

Mr. HORN. Our next presenter is Scott Harshbarger, president and chief executive officer of Common Cause. We are delighted to have you here.

Mr. HARSHBARGER. Thank you very much, Mr. Chairman, Representative Maloney, Representative Ose. I would like to join with every one here in thanking you, Mr. Chairman, for your exceptional service. It is with great regret that we see you go, particularly since you have been a leader on major reform issues both before my time in Common Cause and continued to, particularly into late winter and spring. We are very grateful to you for that.

We are here today because Common Cause has been focused on issues of ethics and public life. Since its creation, it has been, a national leader as an advocate on these issues in pushing for the highest ethical standards for public officials. We understand that the vast majority of public officials are honest, upstanding, decent individuals. Ethics rules, however, have been put in place to help illustrate and prove to the public this is so, even though that is a hard sell to the elected officials; and, having come from that world, I understand that.

But if the goal is to eliminate the appearance and suspicion of corruption, the reality is today we ought to recognize that if our private sector counterparts had similar rules that might have been as strict, rigid, perhaps even uneven or viewed as unfair, we may not have had some of the major breakdown in corporate and other ethics that we have seen in Enron, Andersen, Global Crossing, and a whole range of other issues that have now tested investor confidence in the marketplace.

So Common Cause comes to this with the view that this is an issue that is very similar to the other appearances of conflicts of interests or ethical issues, not simply as a question of accounting or as a question of whether or who is the best way to record the gifts. Because the most important issue here is, what is the gift? Is the gift to the President as President of the United States or is it a personal gift?

It's that personal gift arena that brought us here last February. We spoke of the Presidential gifts as part of the ethical cloud looming over Washington in which special interests are able to wield power in the policymaking process by purchasing influence, access and, ultimately, policy itself. We are certain the public could have perceived that.

It is also obviously now clear that times of transition among administrations tend to lead to breakdowns of even the best of self-regulatory processes as these transitions occur. It was, after all, the transitional period and what the President would do as he left office that caused the difficulty or certainly the perceptions of difficulty by the American people in terms of the conduct of President Clinton and then Senator Clinton in this issue; and that's true in almost every Presidential transition.

So that, as we look at this, we see that this is an opportunity to take one more step, not as important as the gigantic step that we took toward cleaning up politics with the passage of the Bipartisan Campaign Act of 2002, which President Bush signed into law in March. That was a very important step, even though just a

small step, in moving forward; and we thank you and the Members here and Congressman Ose as well for his support of that.

Taking action to prevent special interests from using gifts to buy influence and access and ultimately a whole new policy would be a strong complement to that.

In terms of the actual inventorying of issues, it does seem that fixing it in one place makes sense, much of the same sense that, while everybody may have done their job well, we had a major election problem in the year 2000 because we didn't have just one election or even 50 elections, we had 13,000 different elections; and somehow individual problems tended to create a constitutional crisis. In many respects, that same issue is posed here. It is not a question of the professionalism or competence of each of the agencies involved. It is, in fact, the reality that there are five or six or seven different agencies involved in this that poses the potential for the problem to exist.

Therefore, whatever else we do, as we look at this we ought to think about centralizing it. We had a couple suggestions that we made about how, as you look simply as an inventorying process, you might want to make clear the type of description and the identity of donors and exactly what the intent was, but other people have talked about that a bit.

It does seem, however, that the best and the easiest way to approach this is to go further, however, and that is actually to adopt the position that Congresswoman Mink just stated. In fact, that's been our view, that the simplest and most logical way to enact new clear gift rules for the President is to apply the congressional gift ban to the President and Vice President. And that's not a ban. It simply is a limit, a very specific limit. That would be the solution. That would cure all kinds of bureaucratic or possible misinterpretations by different White House counsels over the use of discretion.

The reality would be we would see if, in fact, the American people are giving, or whether in fact once in a while people actually give more because they are trying to gain some sort of insider access, as opposed to giving to the President. the reality is that using the congressional gift ban would eliminate almost every one of those problems—$50 in any one gift, and no more than $100 from any source in the calendar year. All the rest would go to the people of the United States in some format. That would eliminate some of the greatest problems of distinguishing between gifts of state and personal items.

It seems that we cannot ignore that if you are expected to adhere by your conduct to set examples and represent the highest ideals of public service. Surely the President of the United States needs to lead by example and be subject to the highest standards of ethical conduct. It is, in fact, because their office is so powerful and because it's so important that the public has an interest in preventing personal gifts that are corrupting or at least creating the appearance of corruption, or to have any doubt about why somebody is giving a gift. It might be interesting to see if in fact these gifts couldn't be given, whether as many different people would give them as do now. But that's another issue.

The reform is essential to eliminate different standards that White House counsels may apply, standards that different agencies

apply. It also is important, we think, to have a law requiring more disclosure, not just upon request. These should be regular filings, much the same way that now campaign finance reports are made on a regular basis, simply a quarterly basis. They are out there. No need for people to request them. It is very important.

In conclusion, the giving of Presidential gifts create an appearance of corruption that's harmful to the public's confidence in the Presidency, public officials, and government in general. Even if the act of taking a gift does not corrupt the public official's judgment, the appearance of corruption undermines citizens' faith in their leaders and their government. Both the Clinton and Bush administrations accepted vast amounts of gifts which have been detailed. But while the intentions of H.R. 1081 are good and we commend it, it needs to do more.

Reforming the process to rid it of the gift-produced corruption can and should happen; and we urge you to take that additional step, not just centralizing and having uniformed standards but also limiting and applying the congressional gift ban at a minimum to the President of the United States for all the reasons and because it is the Presidency of the United States, not somebody's individual office from which they in any way should or appropriately can or could receive personal inurement. To some extent in this day and age, maybe that comes later, after the person leaves the Presidency.

Mr. HORN. We thank you for that presentation.

[The prepared statement of Mr. Harshbarger follows:]

**Testimony of**

**Scott Harshbarger**

**President and CEO of**

**Common Cause**

**Regarding Accountability for Presidential Gifts**

**Before the**
**House Committee on Government Reform**
**Subcommittee on Government Efficiency**
**of the**
**Unites States House of Representatives**

**June 18, 2002**

Chairman Horn, Vice Chairman Lewis, Ranking Member Schakowsky, and Members of the Committee. Thank you for inviting me to testify on this important matter.

For more than three decades, Common Cause has been a national leader on issues of ethics in public life. We have worked to make government at all levels more open, honest and accountable, and to revitalize government and politics. We were a driving force behind the Ethics in Government Act; we successfully lobbied to end the honoraria system that allowed Members of Congress to collect lucrative speaking fees from special interests; we fought to end the so-called "grandfather clause" that gave senior Members of Congress an opportunity to pocket surplus campaign funds when they retired; we worked to establish strict disclosure requirements for lobbyists; and we successfully lobbied for strong gift rules for public officials to promote public confidence in their officials and in government. Most recently, we spearheaded the efforts to pass the first meaningful campaign finance reform legislation in a generation.

We have long advocated for strict restrictions on gifts to public officials, because we believe it important for citizens to be confident their officials are acting in the public interest. Political leaders need to secure the public trust, and should not appear to be motivated – intentionally or unintentionally – by a desire for private gain.

In February, I testified before this committee's Subcommittee on Energy Policy, Natural Resources & Regulatory Affairs. At that time, I spoke of presidential gifts as part of an ethical cloud looming over Washington, in which special interests are able to wield power in the policymaking process by purchasing influence, access, and ultimately policy. Special interests use lavish gifts to the President, Vice President, and their families, I explained, as a means of influencing the White House.

I also stated that in order to fully understand what is needed to clean up American politics, the problem with White House gifts cannot be viewed in a vacuum. It must be put in the perspective of the entire river of special-interest money that is drowning our political system. Since my testimony, Congress took a gigantic step toward cleaning up politics by passing the Bipartisan Campaign Finance Reform Act of 2002, which President Bush signed into law in March. This was a vitally important first step in creating a better ethical climate in Washington.

Taking action to prevent special interests from using gifts to buy influence, access, and ultimately policy would be a strong complement to the Bipartisan Campaign Finance Reform Act of 2002.

## H.R. 1081

While it is commendable that H.R. 1081 addresses the need for an inventory of domestic presidential gifts, as written the bill is an inadequate reform package for fixing the ethical problems created by the status quo with presidential gifts.

For the limited purpose of creating a single inventory of domestic presidential gifts, however, H.R. 1081 is generally adequate, although there are a few amendments that need to be made to Section 3 2208. Particularly, the law should be more specific in regards to what "description" in Section 3 2208(b)(2) is required for each gift. There also should be more mandatory information provided on the donor (such as occupation, employer, etc.) per 2208(b)(4).

Additionally, the requirement for the inventory to include "any indication of whether the intent of the donor was to make the gift to the United States or the President personally" should be made more specific. For example, the word "intent" should be eliminated, and the law should specifically require the gift database to specify "personal" or "government."

## FURTHER REFORMS

In addition to H.R. 1081, the following reforms are necessary in order to clear up the ethical problems created by presidential gifts:

(1) Clear, new regulations should be created for presidential gifts.
(2) There should a maximum value set for legal gifts.
(3) There should be a better public disclosure apparatus for presidential gifts.

### *CREATE CLEAR, NEW RULES FOR PRESIDENTIAL GIFTS AND SET A MAXIMUM VALUE FOR LEGAL GIFTS*

Despite the fact that ethics laws recognize the corrupting influence of gifts and the appearance problems they create (Senators and Representatives are not

allowed to accept gifts valued at more than $50, and Executive Branch officials are limited to gifts of $20 in value), the President and Vice President are exempted from gift bans and may accept gifts of unlimited value, "because of considerations relating to the conduct of their offices, including those of protocol and etiquette…." under 5 CFR 2635.204(j).

While Common Cause recognizes that the nature of the President's position requires him, for diplomatic and symbolic purposes, to accept gifts on behalf of the state, personal gifts are a separate matter and should be addressed separately by the law. A President needs to lead by example and be subject to the highest standards of ethical conduct, just as Members of Congress are under current law.

Reform is further necessary to preclude White House Counsels from having too much leeway in interpreting standards (as they do under the status quo). As long as laws about presidential gifts are muddled, different White House counsels will continue to interpret them differently. Congress, not individual White House attorneys, should set clear rules for Presidents to abide by. Senator Paul Douglas's eloquent words from 1953 still hold true: "Wherever there is discretion, there is possible field for corruption and abuse."[1]

The best and most simple method to remedy these problems, is to apply the Congressional gift laws to the President and Vice President. This can be achieved through amending 5 U.S.C. 7353 to include these two officeholders.

Under the Congressional gift ban, "a Member, officer, or employee may accept a gift (other than cash or cash equivalent) which the Member, officer, or employee reasonably and in good faith believes to have a value of less than $50, and a cumulative value from one source during a calendar year of less than $100."[2] We believe the $50 and $100 figures would be reasonable to apply to the President and Vice President, but would be amenable to proposals to modify them modestly.

<u>It is important to understand that by instituting this gifts rule, the President would not be precluded from accepting gifts on behalf of the state that are intended for the permanent collection of the government.</u> Instead, the President would understand from the beginning that such gifts are not meant for him or her, which would make it less likely that such gifts would lead to influence. The lack of clarity in this area caused a controversy at the end of the Clinton Administration, which will be discussed in further detail later in my testimony.

***CREATE A PUBLIC DISCLOSURE APPARATUS FOR PRESIDENTIAL GIFTS***

While it is encouraging that under Section 3 2208(d), the Archivist is required to make the information public, having it only be made available "upon request" is unacceptable. The law should require that the information be made readily available for the public through a disclosure system. The Archivist should be required to report gifts on a regular, timely basis, and should post them on the internet.

As former Common Cause Chairman and U.S. Solicitor General Archibald Cox explained during 1988 testimony before the Subcommittee on Governmental Affairs, public disclosure serves "three vital interests. First, the officials making disclosure pay more attention to complying fully and accurately with the [law]. Second, [ethics officials] are made more diligent in advising officials of potential conflicts of interest and in dealing with violations of ethical standards. Third, the officials guilty of intentional or unintentional violations may be brought by publicity to take corrective action."

## WHY REFORM IS NECESSARY

Gifts create "…. problems for a public official" wrote Senator Paul Douglas (D-IL), a government ethics expert, in his 1953 book, *Ethics in Government*. "If he accepts everything that comes his way ... he is likely to have his independence undermined."[3]

Presidential gifts create an appearance of corruption that is harmful to the public's confidence in the Presidency, public officials, and government in general. Even if the act of taking a gift does not corrupt a public official's judgment, the appearance of corruption undermines citizens' faith in their leaders and their government.

In *Ethics in Government,* Senator Douglas gave an illustration of how even a public official with the best intentions can be influenced by gift-givers: "What happens is a gradual shifting of a man's loyalties from the community to those who have been doing him favors," wrote Senator Douglas. "Throughout this whole process, the official will claim – and may indeed believe – that there is no casual connection between the favors he has received and the decisions which he makes … the whole process may be so subtle as not to be detected by the official himself."[4]

Beyond the problems with influence, problems with confusion in the law can also be harmful to the public interest. As was previously stated, the reliance of the discretion of White House Counsels creates potential conflicts of interest.

Perhaps the best illustration of the consequences of confusion in the law is a much publicized incident involving former President Bill Clinton and his wife, Senator Hillary Clinton. As departing President and First Lady, the Clintons took items from the White House residence that were given as gifts during their eight year tenure. This ignited a controversy when they were criticized for taking items that may have been intended to be permanent White House fixtures, not personal gifts. In February 2001, the Clintons agreed to repay $28,000 in furnishings they had taken.[5] The Clintons also agreed to reimburse gift donors about $86,000.[6]

Even though the Clintons returned some items, the fact that they perceived these items were for their personal collection raises the possibility that they may have been influenced by the donors. The magnitude of some gifts makes this likelihood higher. Contributor Walter Kaye, for instance, reportedly gave "more than $9,000 in chandeliers, a china cabinet and a Lincoln speech."[7] As long as the distinction between public and private gifts is blurred, both gifts to the President and gifts to the state will potentially create conflicts of interest, as the President may incorrectly think gifts to the state are intended to be personal gifts.

If the law were changed to make it clear to the President that he or she may not legally accept valuable gifts intended to be their personal property, these potential problems could be averted.

### *GIFTS AND THE CLINTON AND BUSH ADMINISTRATIONS*

In his 1995 State of the Union address, President Bill Clinton declared: "As the new Congress opened its doors, lobbyists were still doing business as usual – the gifts, the trips, all the things that people are concerned about haven't stopped. … So tonight, I ask you to just stop taking the lobbyist perks … Just stop." While a congressional gift ban was enacted to limit the ability of special interests to use gifts to gain access, no such ban is in place for the President and Vice President.

During his Presidency, President Clinton and his wife disclosed over $190,000* in gifts.[8] The receipt of gifts by the President created clear conflicts of interest. For example, among the donors to President Clinton was Denise Rich, the ex-wife of fugitive Mark Rich, whose pardon by President Clinton ignited a

---

* There are conflicting press reports as to whether the $190,000 figure accounts for the entire Clinton presidency or solely the year 2000.

major controversy. Ms. Rich donated "two tables and two chairs worth $7,373."[9] The First Lady's susceptibility to conflicts of interest was particularly significant in 2000, when she spent much of the year as a candidate for the Senate. Between November 2000 and January 2001 the First Lady was Senator-Elect, giving added incentive to special interests wishing to gain access and curry favor.

There are conflicting press reports concerning whether the Clintons proactively solicited gifts, and whether Mrs. Clinton may have even established a gift registry at an upscale jewelry store.[10] Regardless of what Clinton did, the mere possibility this occurred or could occur in future White Houses raises serious concerns and illustrates that the system is badly in need of repair.

Although the focus of this hearing is on the Presidency, it is important to note that the Vice President is also susceptible to special interest influence and is, like the President, exempt from restrictions applied to other executive branch employees. Vice President Albert Gore and his wife also disclosed $18,685 in gifts in 2000, the year he ran for president.[11] Although a spokesperson for the Gore family claimed that the Vice President and his wife only received gifts, "from close personal friends," the magnitude of gifts the Gores received constituted at best an appearance problem, and at worst, a series of severe conflicts of interest. [12]

The acceptance of gifts was not unique to the Clinton White House. President George H.W. Bush reportedly accepted $122,000 worth of gifts during his four year term in the White House.[13]

---

[1]Senator Paul H. Douglas, "Ethics in Government." Cambridge: Harvard University Press: 1953; Page 43.
[2] Senate Ethics Manual
[3] Douglas 46.
[4] Ibid.
[5] Andrea Peyser. "Pals Stuck with Monster They Created." *New York Post*,
[6] Deborah Orin, "They'll Pay Up For Gift Bonanza Bill & Hill Offer 86g In Wake of Ethics Fury." *New York Post*, February 3, 2001; 5.
[7] Andrea Peyser.
[8] Dean E. Murphy. "Dilemmas, Dilemmas: What to Do With a Presidential Check." *New York Times*, February 4, 2001; 29.
[9] Deborah Orin.
[10] Eric Boehlert. "Clinton gift scandal a myth; The press have not let facts get in the way of a good story about Hillary's registry and White House gifts." *The Hamilton Spectator*, February 20, 2001; A11.
[11] Richard Sisk. "Gores Got 18g Worth Of Goodies." *New York Daily News,* January 26, 2001; 5.
[12] Ibid, 5.
[13] Kenneth R. Bazinet. "Clintons Stay Mum on Gifts: Aide backed on Solicit." *New York Daily News*, February 21, 2001; 4.

Mr. HORN. And we now go with Dr. Light of the Brookings Institution, and the person who we have had on many bits of good government. And he comes here in his good government role.

So, Dr. Light, go ahead.

Mr. LIGHT. I am delighted to be here, especially before this subcommittee. I totaled it up. Roughly two-thirds of my testimony before Congress has appeared before this subcommittee; and I think that you should take care of your former witnesses as you move on—kind of have us transferred to another subcommittee someplace that will keep us active.

It has always been a joy to testify before you, Mrs. Maloney. This has been a wonderful subcommittee to work with. The subcommittee has done tremendously important work over the last years: your work on Y2K, on the Government Performance and Results Act, on the Office of Inspector General, your authorship of the Presidential Transitions Act with its orientation program for Presidential appointees. The list of legislation where this subcommittee and the chairman have made a difference in improving government performance is profound, and we are going to miss you.

Not everybody can tolerate the scintillating, exiting subject matter that this subcommittee has dealt with over those many years. So now I appear to talk a little bit about Presidential gifts and also to urge the chairman to climb one last hill before he leaves, and it is a big one. The need for action on Presidential gifts, I think, is absolutely clear.

Our reading of the public opinion data on trust in Government suggested that is no such thing, in the public's mind, as a Presidential gift, that the American public believes that every gift is given for a reason, and the reason is to curry influence with the President.

It doesn't matter how well the National Archives does or the Park Service does, the public believes, unfortunately, that the gifts given to the President or given to the Park Service or inventoried by National Archives and Records Administration are not gifts given out of the goodness of the American public's heart, but are out of the desire for influence.

The question before us today, I think, is not whether legislation is called for, but what kind of legislation ought to be enacted. The White House is working hard, I think, to improve the process. But White House reform is temporary, and I think my colleague from Common Cause makes the point, well, that it is the final 3 or 4 months of an administration in which the gift-giving flood occurs and in which the breakdowns of accountability are most apparent.

Legislation not only clarifies accountability, it creates an integrated system. It is the coin of the realm for reassuring the public that something is being done. Just as we have now learned that we may need to bring together the homeland security agencies into a coordinated whole, frankly, I think that we can do the same for Presidential gifts at a much lower level of legislative detail.

We must cure the appearance problem. There is continued confusion over who is responsible for gifts, and much as I feel that the White House is right to be concerned about the insult embedded in such legislation, this is not about the Bush administration. It is not

about the Clinton administration. It is about the public's confidence in Government.

Can technology be part of the answer? Absolutely. I think my colleague to my left will talk a little bit about technology. Unified data bases in which we can monitor and keep track of gifts, I think, are right in the right direction.

Three months ago when I testified before Mr. Ose, I argued that we should not have a ban on gifts to the President. In thinking and listening to the testimony of my colleagues from the administration, I am starting to wonder whether or not we ought to do it.

If the Park Service is comfortable that they are doing the best that they can, if the Archives is comfortable that it is doing the best that it can—and I am not to dispute them—then something must be done to restore confidence at the very center of the gift-giving process which is in the White House. And it may well be that we have reached the moment in time where we must put the same limits on gifts to the President that we have on gifts to Senators and other legislators.

Let me just talk briefly about the tenuous connection between Presidential gift-giving and a pay increase for executive, legislative and judicial officers.

I titled my testimony here, "Deliver Them Not into Temptation," because I think it is time for us to consider the very real and serious pay/gap that we have created at the very top of our executive, legislative and judicial salary structure.

We are now at a point where the pay structure encourages a future in which only three types of individuals will likely seek office—the very wealthy, who have nothing to lose; the hyperzealous, whose low pay is proof positive of their commitment to the cause; and the easily corruptible. I believe that just as this subcommittee led the charge 2 years ago to double the President's salary, it was a tough issue to take on. It was a difficult issue to sell. I got more hate mail because of my testimony before you at that hearing than I have received on any other testimony I have given.

But it is time to consider the issue of raising legislative, judicial and executive salaries again. We doubled the President's salary, thereby increasing the distance between Members of Congress, judges, and senior executives and the President. Ironically, we have done nothing to alter the pay or the gift-giving system so that Presidents not only receive a doubling in salary, they face no limits on the gifts they can receive.

It is wonderful opportunity, and I would encourage the chairman in his final months in office here to consider the possibility that we ought to remedy the implied imbalance of power that we created by doubling the President's salary without addressing executive, legislative and judicial salaries. I suspect I will get plenty of hate mail on this. Our polling data, which I have attached to my testimony, suggests that the only thing that the public dislikes more than a Presidential pay increase is a congressional pay increase.

Mr. Chairman, there is no way to write a public opinion question under which we can create public support or implied public support for a congressional pay increase. No matter how we wrote the question, roughly 54 percent of the American public is strongly opposed to a pay increase for Members of Congress. There is slightly higher

support for a pay increase for Supreme Court justices and members of the Federal judiciary.

It is a tall hill to climb, but I think it is one well worth climbing. I don't know what legislation you can attach it to. I don't know how you are going to do it. I don't know when you are going to do it. But you have only got 4 or 5 months left of legislative time in which to try. You have got my strong support for doing so. I will testify to this effect, should you bring forward legislation—probably one of my last times to testify in coming years.

Let me conclude by again noting what a pleasure it has been to be a witness before you. It is a delight to be playful and to be encouraged to be playful, but we are all serious at the end of the conversation.

I am congratulating you for your time here on Capitol Hill. You may remember, and I hope you do, that at an earlier point in career you spent some time at Brookings. Should you decide that you would like to have another tour of duty at that fine and distinguished think tank at 1775 Massachusetts Avenue, I am sure that we can arrange it.

Thank you very much.

[The prepared statement of Mr. Light follows:]

# DELIVER THEM NOT INTO TEMPTATION:
# LEGISLATIVE OPTIONS FOR REPORTING PRESIDENTIAL GIFTS

TESTIMONY BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES
GOVERNMENT REFORM COMMITTEE,
SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT
AND INTERGOVERNMENTAL RELATIONS

PAUL C. LIGHT

CENTER FOR PUBLIC SERVICE
THE BROOKINGS INSTITUTION

JUNE 18, 2002

Let me begin my testimony by noting my deepest appreciation for the Chairman's service to the country as a member of the House. Your work on Y2K helped avoid a government meltdown, your legislation on presidential transitions opened the door to long overdue improvements in how our democracy makes the most delicate of changes, and your efforts on behalf of the presidential pay increase showed a familiar courage to take on the tough issues regardless of the consequence. You have reminded us that management and organization matters to public confidence, and have set a tone for careful study that every legislative chairman in this country should emulate. You will be sorely missed.

Let me divide my brief testimony into two parts. First, I will address the issues at hand in the presidential gift legislation. Second, I will argue that the way to remove temptation is not just by establishing an integrated monitoring system, but also by addressing the continuing executive, legislative, and judicial pay gap.

***Presidential Gifts***

As I testified last February, the presidential gift process is fraught with the potential for both embarrassment and diminished accountability. The current process is fragmented, defies bureaucratic logic, and appears designed more to frustrate accountability than enhance it.

If the volume of gifts to the president is any indication, Americans are a very generous people. Presidents and their First Ladies receive thousands of gifts each year, from large to small, from domestic to gifts from heads of state. As I also testified, I believe that H.R. 1081 would make a valuable contribution toward rationalizing the current system, and wholeheartedly endorse its passage.

However, as I noted, trust is the greatest gift that any president receives from the American public. It is priceless to democracy and an essential resource for effective leadership. It is also easily squandered by small acts of commission and omission. As our Center for Public Service research shows, Americans appear willing to believe the worst about our political leaders and public servants.

- Although the number of Americans who said they had a very or somewhat favorable opinion of the federal government increased from 50 percent in July, 2001, to 78 percent in October, the number who also said that the federal government's biggest problem was inefficiency remained virtually unchanged after September 11. Sixty-one percent of Americans said the federal government has the right priorities but runs programs inefficiently in July, compared to 63 percent in October, and 56 percent in May, 2002.

- The number of Americans who said they had a very or somewhat favorable opinion of presidential appointees increased from 60 percent in July, 2001, to 79 percent in October, but fell back to 61 by May, 2002. Even at the height of the surge in public confidence

after September 11th, 80 percent of Americans strongly or somewhat agreed that political considerations still play too large a role in the selection process, down just one percentage point from July. 53 percent of Americans have also said the financial contributions people make to a presidential campaign play a very big role in the appointments process, down only four percent points from July.

- The number of Americans who had a very or somewhat favorable opinion of federal government workers increased from 69 percent in July, 2001, to 76 percent in October, but fell back to 70 percent by May, 2002. The number who also said that federal employees are motivated primary by job security, salary and benefits, and a security paycheck was basically unchanged over the period.

- The number of Americans who said they trust the government in Washington just about always or most of the time rose from 29 percent in July to 57 percent by October, then fell back to 40 percent in May. These findings also parallel public confidence in presidential appointees. The number of Americans who said appointees are motivated primarily to serve the country rose from just 35 percent in July to 47 percent in October, then fell back to 32 percent in May.

My point here is not to suggest that presidential gift giving is at the root of public distrust. The distrust runs much deeper. Nor is it to suggest that some distrust is unhealthy in our democracy. But the contemporary levels of underlying distrust in the United States are far beyond healthy. Americans are too quick to say that presidential appointments can be bought for a pittance, for example. When Americans were asked in July, 2001, how much a person needs to contribute to a campaign to be considered for an appointment, 44 percent of Americans estimated that it would take a donation greater than $10,000, 10 percent said between $5,000 and $10,000, 25 percent said less than $5,000, and nearly a fifth (18 percent) said it would take less than $1,000.

There are many ways to address this lingering disquiet about trust in government, not the least of which is improving general government performance. As our research shows, trust in government does rise and fall with perceived government performance, which is why I applaud the President and his Office of Management and Budget for their recent decision to make performance a centerpiece of budget decisionmaking.

I believe it is also important to restructure the presidential gifts process, which violates every principle of government in the sunshine. At best, the current system encourages Americans to believe the worst about their leaders; at worst, it creates the unmistakable appearance that gifts are not gifts at all, but rather down payments or "quids" for "pro quos."

It may well be that Americans are so jaded about politics today that there is no such thing as a gift today. Given the polling data outlined above, my hunch is that the vast majority of Americans would strongly or somewhat agree that most presidential gifts are given as more than tokens of esteem. Such data might well suggest that Congress should ban domestic gifts altogether. Just as

many in Congress argue that soft money is so highly corruptible that it must be banned, perhaps we must conclude the same about gifts. Luckily, Congress doubled the president's salary last year to $400,000, which would cushion at least some of the pain of such a ban.

My sense is that it is too early to advocate a complete ban on domestic gifts. We ought to try the reform embedded in H.R. 1081 first. And we ought to do so in the search for simple, easily accessible information on the following questions that sum to the sine qua non of a clean, fully accessible system:

1. *Who is giving the gift?* The public has a perfect right to know who is giving gifts to the White House. Just as we ask campaign contributors and transition volunteers to identify themselves to the public, we should continue to ask gift-givers to identify themselves by name.

2. *What is the gift?* The public also has a right to know what was given to the president, be it a consumable such as food or flower, or a durable good such as a chair, fishing rod, or automobile.

3. *What is the value of the gift?* Although the value of a gift is always in the eye of the beholder, the beholder should be above reproach. To the extent possible, valuation should be independent, consistent, and based on a clearly transparent methodology.

4. *When is the gift given?* Even though I oppose the notion of an outright ban on domestic gifts at this time, I do believe that there is merit in prohibiting gift-taking during certain periods--e.g., during the transition period in the second term of a presidency.

5. *How is the gift given*? Again, the public has a right to know the nature of the transaction involved in the gift giving.

6. *Why is the gift given?* This is the most difficult question of all to answer. Ideally, all gifts are given to express affection and respect for the President. In reality, the bigger the gift, the more the appearance of a potential quid pro quo. One way to cure the appearance problem is to simply place a ban or automatic return on all domestic gifts valued above $1,000.

Congress cannot ignore the problems raised by the Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs, chaired by Mr. Ose. One is tempted to rewrite the MasterCard commercials of late. Tiffany vase: $150. Olympic hockey tickets: $250. Trust in the presidency retained through full disclosure and tracking of all presidential gifts: Priceless.

***On Executive, Legislative, and Judicial Pay***

It has been two years since the Chairman led the effort to raise the president's salary. It was the first presidential pay increase since 1969, and restored some of the purchasing power lost to thirty years of inflation. It was also one of the most courageous efforts you have led. I received more hate mail on my testimony about that bill than all of my other testimonies combined.

Even with that in mind, I believe that it is now time to raise pay for the rest of the federal government's leaders. I believe American democracy gets what it pays for. Absent a significant pay raise, its top posts will only appeal to the very wealthy, the easily corruptible, or the hyper-zealous. The wealthy do not care about money because, well, they are wealthy. The hyper-zealous do not care about money either. The lower the paycheck, the greater the martyrdom for the cause.

In contrast, the easily corruptible care too much about money. They are willing to trade their honor for petty treasures such as furniture and china. That appears to be what President Clinton did at the end of his administration.

In most democracies, the presidential pay increase would have pulled up the rest of the federal government's sagging salary structure, where 80 percent of senior executives are now paid the same amount. But the United States is no ordinary democracy. Congress is responsible for setting the pay rates for the other two branches. Members long ago coupled their salaries with judges and presidential appointees, not the president. If congressional salaries do not rise, neither do judges or presidential appointees.

As a result of the presidential pay raise, the president now makes more than twice as much as Supreme Court Justices and members of Congress. Add in the value of the free food and lodging, and the president's compensation is now completely out of touch with Congress and the federal judiciary. The gap does not violate the separation of powers per se, but creates an imbalance nonetheless. In the constitution's finely-tuned system of checks and balances, the president's paycheck should be roughly the same as Congress and the Judiciary.

This imbalance is only a small part of the case for pay reform. Far more important is the increasing pay gap between the nation's democratic leaders and other civic and corporate executives. Federal district court judges barely make as much as junior associates at America's largest law firms, while the nation's egregiously over-paid corporate executives make 93 times as much on average as members of Congress, and presidential appointees trail in virtually every comparison. According to a recent report from the Brookings Institution's Presidential Appointee Initiative, the commissioner of the Internal Revenue Service makes roughly one-tenth as much as an equity partner in one of New York's largest financial firms and one-sixth as much as a general counsel in a *Fortune* 1,000 firm, while the head of the Food and Drug Administration makes one-twentieth as much as the heads of the pharmaceutical companies he or she regulates.

The gaps are particularly severe for the federal judiciary, where Congress has gotten into the habit of denying federal judges the annual cost of living increases allowed under law. As a result, federal judges have actually lost purchasing power to inflation over the last decade. Whereas average national wages gained almost 15 percentage points above inflation and federal civil servants gained just over five percentage points, federal judges lost nearly 10 percent. In addition, Congress has never given judges the local cost-of-living adjustments that help federal civil servants in high-cost areas such as New York City, Boston, San Francisco, and Los Angeles. A judicial salary truly does not go as far today as it used to.

Congress has also suffered from these policies. Member salaries have gone down with inflation, even as the costs of keeping residences in Washington and back home have mostly skyrocketed. As Supreme Court Justice Stephen Breyer wrote in 2002, Congress "has treated judges no worse than it has treated itself. It has cut its own real salaries just as it has cut those of the judges. And its doing so may well work similar harm upon all Federal Government institutions."

It is no surprise, for example, that early retirements are on the rise in the federal judiciary or that potential presidential appointees might reject the President's call. Having kids in college or a home mortgage has become a liability, not an asset, for service.

I cannot think of a better way for the Chairman to cap his distinguished career than to give the executive, legislative, and judicial branches a long-needed pay increase. That increase could involve a variety of options:

- A one-time catch up in the executive, legislative, and judicial pay system to account for lost purchasing power. One might suggest a 25 percent increase as a starting point.

- A simple doubling of executive, legislative, and judicial pay to respond and keep pace with the president's salary.

- Creation of a military-base closing style commission that would recommend either form of salary adjustment under a special rule for an up-or-down vote.

- Creation of a robust locality pay system for federal judges to account for the wildly different cost of living across the country.

- Expansion of the critical pay authority given in 1998 to the Internal Revenue Service so that all agencies of the federal government could raise their top salaries to a more competitive position.

Any one of these proposals would be controversial. Indeed, according to a recent Princeton Survey Research Associates survey on behalf of our Center for Public Service, it may be impossible to write a question that could get the public to support a pay increase for members of Congress and

the Supreme Court. The survey of 986 adults was conducted from May 2-May 11, and has a margin of error of plus or minus 3 percent.

Not surprisingly, support for a pay increase was lowest when respondents were first told exactly how much money federal judges and members of Congress make. But support was not particularly higher when we excluded the actual figure and focused instead on the issue of keeping pace with the President. Although opposition to a Supreme Court pay increase did fall somewhat when the dollar figures were removed, opposition to a congressional pay increase remained hard and stable regardless of how the question was asked. The following findings show the difficulties involved:

- 41 percent of respondents strongly opposed a doubling of Supreme Court salaries when the dollar figures were used, while 34 percent opposed it when the increase was framed as an issue of keeping pace with the President.

- 54 percent strongly opposed a doubling of congressional salaries when the dollar figures were used, while 53 percent opposed it when the increase was framed as an issue of keeping pace with the President.

Just because an issue is difficult does not make it impossible. Nor does controversy deny the need. This subcommittee has always accepted the obligation to educate the public on the need for action, no doubt in part because the Chairman is himself an educator by training and instinct.

Indeed, the Chairman may well remember that there was mixed public support for the presidential pay increase in 1999. According to a survey taken by the Pew Research Center for The People & The Press just before your hearing on the proposal, 45 percent of the public interviewed answered "yes" when asked whether the president's salary should be raised. Moreover, the numbers varied greatly depending on whether respondents actually knew what the President currently made. When half of the Pew respondents were first told that the president's salary had not gone up since 1969, but *not* that the president's current salary was $200,000, 49 percent answered "yes" to a presidential pay raise. But when the other half were told how much the president made, and were then asked whether the President deserved an increased, the number who said "yes" to a pay increase fell to just 39 percent.

Despite the opposition, the Chairman rightly persevered. I encourage this subcommittee to attach a pay-increase proposal to H.R. 1081. Although I cannot speak for the new National Commission on the Public Service, which is chaired by Paul Volcker, I rather suspect the Commission would be willing to lend its strong voice to the effort.

QUESTIONS ON SUPREME COURT AND CONGRESSIONAL PAY INCREASES

May 2-May 11, 2002
N=986

SUPREME COURT:

Last year, the president's salary was increased from $200,000 to $400,000 a year. Supreme Court judges now make about $190,000 a year. How do you feel about doubling the salary of Supreme Court judges to keep pace with the president? Do you strongly support, somewhat support, somewhat oppose or strongly oppose this.

| | |
|---|---|
| 8% | Strongly support |
| 23 | Somewhat support |
| 25 | Somewhat oppose |
| 41 | Strongly oppose |
| 3 | Don't know |
| * | Refused |

N=499

Last year, the president's salary was doubled but Supreme Court judges did not receive a similar pay increase. How do you feel about doubling the salary of Supreme Court judges to keep pace with the president? Do you strongly support, somewhat support, somewhat oppose or strongly oppose this.

| | |
|---|---|
| 9% | Strongly support |
| 28 | Somewhat support |
| 26 | Somewhat oppose |
| 32 | Strongly oppose |
| 5 | Don't know |
| * | Refused |

N=487

CONGRESSIONAL:

And what about members of Congress, they now make $150,000 a year. How do feel about doubling the salary of members of Congress to keep pace with the president? Do you strongly support, somewhat support, somewhat oppose or strongly oppose this.

| | |
|---|---|
| 5% | Strongly support |
| 13 | Somewhat support |
| 25 | Somewhat oppose |
| 54 | Strongly oppose |
| 3 | Don't know |
| * | Refused |

N=499

And how do feel about doubling the salary of members of Congress to keep pace with the president? Do you strongly support, somewhat support, somewhat oppose or strongly oppose this.

| | |
|---|---|
| 4% | Strongly support |
| 16 | Somewhat support |
| 24 | Somewhat oppose |
| 53 | Strongly oppose |
| 3 | Don't know |
| * | Refused |

N=487

Mr. HORN. Well, I thank the gentleman. And is that a gift?

Mr. LIGHT. You would have to raise your own money.

Mr. HORN. I know that bit.

Mr. HARSHBARGER. We pay less.

Mr. HORN. Well, now the gentleman we have last as a presenter here has been before this committee and done a wonderful job, and is probably Mr. Ethics and Mr. Attorney for numerous administrations. And it is Gregory S. Walden, counsel, of Patton Boggs.

Mr. WALDEN. Thank you, Mr. Chairman, members of the committee. This morning, I will briefly touch on the problems with the current Presidential gift system that require correction, outline the reforms I believe would materially improve the system, and explain why I think those reforms can be obtained and achieved administratively and not legislatively.

H.R. 1081 correctly identifies the two major problems of the current system: lack of accountability and confusion as to the status of some gifts. The bill pins the lack of accountability on the fact that several agencies play a role in the system.

Now, it is true that gift review, acceptance, reporting and disposition authorities are spread among the White House, the GSA, OGE, the Archives, State Department and the Park Service; but I don't believe it is the multiplicity of agencies that is the root of the accountability problems. Rather, I see it as a lack of transparency and a lack of external compliance control.

I think the problems in the past were not the Park Service's problems, not the Archivist's problems, not the GSA's problems, not the State Department's problems; they were White House Office problems.

Under current law, many gifts to the President are not required to be reported publicly, and the review and approval process takes place largely outside of public view. But I don't think this is altogether a bad thing because of the privacy interests at stake when talking about gifts to the President and the First Family.

Now, Congress recognized those privacy interests when it set a reporting threshold, and raised the reporting threshold to $250, then $260; that is the reporting threshold for financial disclosure reports for Members of Congress and for executive branch officials. But without accountability that would come with transparency, you need something else. "Compliance control" is what I would call it—review, auditing, and enforcement; they must assume greater importance.

The energy policy subcommittee's report in February showed four major failures in the gift system in the last administration: a failure to register gifts; a failure to report gifts that should have been reported on the financial disclosure report, but were not; improper removal of gifts that had been accepted as government property; and improper solicitation of gifts.

Now, there are laws currently on the books addressing gift reporting requirements, conversion of Federal property and restrictions on solicitation. But the legal compliance controls on the review, the acceptance, the reporting and the disposition of gifts are inadequate. So any bill that seeks to improve the integrity of the gift system should address these problems.

Concerning the failure to register gifts in the first place, I am not certain that assigning the responsibility to the National Archives or any other agency is the answer. Even if the Archivist were to take over this responsibility, he would need to rely on the diligence and the compliance of the White House Office staff, as the White House Gift Office does so now, unless you were to create a duplicate staff or assign additional Archives staff and put them inside the White House Office.

As effective, and perhaps more so, would be to adopt a set of written procedures to be followed by all White House staff, to ensure that every gift given to the President and the First Lady is reported within a very short period of time and done so electronically. Now, it appears from reading the prepared statements of the Archivist and the Park Service that this White House has put in place some of those procedures.

Regarding valuation, how can we ensure that each gift is properly valued? Well, I do not doubt that every administration, every White House, has had some sort of written procedures, but they didn't work last time. They didn't work. And so, even if you have a set of written procedures showing how you go to an independent appraiser, you need some sort of outside review, I would suggest, on a regular and random basis; but I wouldn't put that review outside of the Executive Office of the President. I would keep it inside the White House Office, assign the White House counsel or perhaps the Office of Administration to do that.

Now, the advantage of having the White House Counsel's Office do this audit function is to preserve the legitimate privacy interests of the President and the First Family. And the White House Counsel's Office, I would submit, is in a better position to determine whether the donor of the gift or the circumstances of the gift raise appearance problems such that the gift should be declined and returned.

Also, when reviewing the financial disclosure report that is filed by the President, it is my experience—and I believe it is done so now—that the President's personal attorney and the White House Counsel's Office review the financial disclosure form in draft before it is submitted; so that if any gifts appear on that form that would raise an appearance question, they are rejected.

I would submit that the White House Counsel's Office ought to review the entire White House gifts data base, assuming one is created or maintained or put in place. And that would, again, should assure that there is not improper valuation.

As for the risk of improper removal of government property, conversion of government property, I am encouraged by the testimony of the Park Service that there seems to be an immediate labeling done of property that is given to the President and accepted on behalf of the United States. This labeling should be done also as to gifts that have not yet been formally accepted by the President or personally or by the United States that are on display in the White House for the duration of the Presidency.

H.R. 1081 would require the Archivist to maintain an inventory. I think this is a sound requirement. I would just suggest that the White House Gift Office data base could be that inventory. And as for property that is accepted under the Park Service's authority,

that the Park Service data base could be maintained. Perhaps we should explore how the Park Service data base and the Archivist's data base and the White House Gift Office data base can be harmonized so as not necessarily to avoid any problems, but at the same time to preserve the privacy interests of the President.

So, as you can see, all of these actions I believe can be taken administratively. Some of them have already been taken based on the prepared testimony we have heard today.

Undoubtedly, the gift system broke down in the last administration, but I am not resigned to the fact that we need legislation to prevent its recurrence. So at this time, I would say, legislation is premature. We ought to give this White House and this executive branch an opportunity to disclose to this committee its written procedures and protocols, and hope that will be sufficient.

Now, the bill would exempt from the required report to Congress gifts from relatives of the President, and gifts under $250, but these gifts would still be recorded in the Archivist's data base, which information would be available to the public upon request. I know other witnesses believe that these gifts ought to be disclosed to the public. But I would suggest that when gifts are accepted personally, and they are under the threshold that Congress has set, then there is not a corresponding public interest, a countervailing public interests that trumps the President's privacy interest.

Now, Congress can certainly exercise its oversight authority, which it did in February and it is doing today and bring before it government officials to explain the protocols and procedures. And perhaps even to ensure that any audit done within the White House Office is done and performed properly.

But regardless of whatever reform is enacted, whether by law or administratively, no statute or set of procedures will render a gift system impervious to simple error or even corruption, because, in the end, the integrity of any Presidential gift system, like any operating system which involves individuals, depends on the competent conscientiousness and judgment of officials who are entrusted with the responsibility.

Thank you.

[The prepared statement of Mr. Walden follows:]

# STATEMENT OF GREGORY S. WALDEN

## BEFORE THE
## SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS OF THE HOUSE COMMITTEE ON GOVERNMENT REFORM

## HEARING ON
## H.R. 1081
## ACCOUNTABILITY FOR PRESIDENTIAL GIFTS ACT

**Tuesday, June 18, 2002, 10:00 a.m.**

**Room 2154, Rayburn House Office Building**

**For further information, please contact:**
**Gregory S. Walden**
**Patton Boggs LLP**
**2550 M Street NW**
**Washington, DC 20037**
**202-457-6135**
**gwalden@pattonboggs.com**

**Prepared Statement of Gregory S. Walden**

Mr. Chairman and Members of the Committee:

The views expressed in this statement and at this hearing are my own, based on my experience in the White House and my subsequent observations outside of Government, and therefore should not be attributed to the law firm of Patton Boggs, where I serve as of counsel. I believe this marks my seventh appearance before the Committee on Government Reform, and once again I am honored by your invitation.

From December 1990 to January 1993, I served as an Associate Counsel to President Bush, and as the Alternate Designated Agency Ethics Official for the White House. Basically, I provided ethics advice to the entire White House Office staff and conducted financial disclosure review of White House officials and prospective Presidential appointees. Among the offices to whom I provided regular advice was the White House Gift Office. Occasionally I was called upon to review allegations of ethical improprieties by White House staff and Presidential appointees in other agencies, and reviewed for the White House various legislative and regulatory proposals relating to Government ethics. After I left the Federal Government in November 1993, I conducted a study of the ethics of the first three years of the Clinton Administration, entitled *On Best Behavior,* which was published by the Hudson Institute in 1996. Most recently, I served as Ethics Counsel for the Bush-Cheney Presidential Transition, December 2000-January 2001.

**What are the problems which need to be addressed?**

H.R. 1081, the Accountability for Presidential Gifts Act, makes three findings. The bill identifies the two major problems of the current system of recording and reporting of Presidential gifts as a lack of accountability and the confusion as to the status of some gifts. According to the bill, the former results from the fact that several agencies play a role in the gift system; the latter from the failure of these several agencies to maintain a single comprehensive set of records on these gifts. While it is true that gift review, acceptance, reporting and disposition authorities are spread among the White House, the Office of Government Ethics, the Archivist, the State Department, the Park Service, and GSA, I do not believe that the multiplicity of agencies is at the root of accountability problems. Instead, the problem of accountability stems in part from the lack of public disclosure, or transparency, if you will, and in part from the lack of compliance controls, such as review, auditing, and enforcement actions when warranted.

Generally speaking, only gifts over $260 are required to be reported publicly. Gifts from foreign governments and foreign government officials over this amount are automatically accepted on behalf of the United States and such gifts are listed on a register that I believe is publicly available under the Freedom of Information Act. All other gifts over $260 are reported on the President's public financial disclosure report provided the gifts are accepted by the President (or First Lady) personally. Gifts under $260, as well as gifts over $260 which the President accepts on behalf of the United States, are not reported publicly. Thus, many gifts are never reported to the public, and the review and approval process occurs outside of public view. This is not

altogether a bad thing, because there are clear privacy interests at stake involving gifts to the President and First Family. Congress has recognized these privacy interests as inhering in all public officials, when it set (and subsequently raised) a threshold amount for reporting by all public officials. Thus, without the accountability which accompanies transparency, compliance controls assume greater importance.

Where a system of government operation is not transparent, the integrity of that system depends more heavily on the bona fides of the people who operate the system. Accountability can be maintained through compliance controls, and strong supervision and management, with discipline meted out when warranted.

To most persons on the outside of the Presidential gift system, the system is an unfathomable maze of laws, policies, practices and procedures. Also, I suspect many officials who have some authority or responsibility within the gift system do not have a full and complete understanding of the other constituent elements of the system. Confusing? Sure. Susceptible to error and abuse? Yes, of course. Thus, I believe the bill correctly points out the risks posed by this patchwork quilt of laws and policies.

In my view, any legislative effort should address the failures so well documented by the Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs earlier this year, which were the subject of that Subcommittee's hearing in February. These failures fall into four categories:

(1) a failure to register gifts;
(2) a failure to report gifts on the President's financial disclosure report;
(3) improper removal of gifts that had been accepted as government property, and
(4) improper solicitation of gifts.

While there are laws and regulations currently on the books addressing gift reporting requirements, conversion of Federal property, and restrictions on solicitation of gifts, there is a demonstrable lack of legal compliance controls on the review, acceptance, reporting, and disposition of gifts. Any bill which seeks to improve the integrity of the Presidential gift system should address these problems.

**What reforms would make a difference?**

Before determining whether legislation is necessary to address the problems I've just identified, it is worthwhile to consider what reforms would be effective in minimizing mistakes and preventing the opportunity for corruption.

1. Concerning the failure to register gifts in the first place, how can we ensure that all gifts presented to the President or First Lady are registered by the Gift Office? The President – any President – receives thousands of gifts each year. Gifts are received in a variety of ways. Many come in packages addressed to 1600 Pennsylvania Avenue, but many are presented in the Oval Office, the East Wing where the First Lady's office is, or in the Residence, as well as on the road

– at an official speech, a site visit, a campaign event, or a foreign trip. Keep in mind that some domestic trips involve several events in different cities in a single day. Many foreign trips involve several destinations over a longer period of time. The events at which a President does not receive a gift of some sort from the sponsoring foreign, state or local government, or business, labor union, or school, are few in number. Given the number of gifts and manner in which they are presented and received, it would not be surprising to find that some gifts slip through the cracks and are not registered.

However, I am not certain that assigning this responsibility to another agency, such as the Archives, is the answer. Even if the Archivist were to take over this responsibility, he would need to rely on the diligence and compliance of White House Office staff, just as the White House Gift Office does now, in reporting gifts. Also, the Archivist has other responsibilities, whereas the White House Gift Office has only one. Just as effective and perhaps more so would be adopting a set of written procedures to be followed by all White House staff to ensure that every gift which is received is appropriately registered with the Gift Office. These procedures should identify an official who is a close aid of the President and another for the First Lady to be in charge of receiving, registering and keeping custody of gifts presented to the President and First Lady, respectively, whether the gifts are presented directly to the President or First Lady in the White House complex or on the road, until such time as they can be inventoried by the Gift Office. In any event, White House policy should require that within a short period of time, perhaps 5 days after receipt of a gift and return from an official trip, the gift must be reported on a form available in paper or electronic form. All the gift records should be placed in a White House database, with appropriate security safeguards. And any Gift Office should be staffed with sufficient personnel in number and experience to provide for timely and accurate registration and valuation.

2. Concerning the failure to report gifts through under-valuation, how can we ensure that each gift is properly valued? While the valuation process of gifts not readily marketable is inherently subjective, the value of marketable gifts can be more readily ascertained. We can assume that the White House Gift Office determines value based on calls to experts in the particular industry or field, or with some retail items, calls to stores that sold the product, and this seems to me to be the right way to go about it. If there are no written guidelines on how to conduct a valuation, including when it is necessary to obtain a commercial or independent appraisal, guidelines could be written after consultation with other appraisal experts.

The report prepared by the Energy Policy Subcommittee staff in February revealed numerous examples of improper valuation of gifts received in the Clinton White House. I concede that assigning the valuation process to an entity outside of the White House would ensure proper valuation, but I also believe that proper valuation can be ensured through regular and random review or auditing by the White House Counsel's office, or perhaps by the Office of Administration.

The valuation procedures should also require the Gift Office to send a copy of all completed gift registration forms to the White House Counsel's office, or allow the White House Counsel's office unfettered access to the gift database. The procedures could provide that if no valuation has been conducted, or if the valuation did not follow the guidelines, the gift would not be

accepted, either personally or officially, until an appropriate valuation is conducted. This review by the Counsel's office would also provide a regular and timely check on whether there is any concern over the donor of the gift or the circumstances of the gift.

The Gift Office's registration and valuation functions should be audited periodically and randomly. Given the legitimate privacy interests of the President and First Family, any periodic or random review should in the first instance be conducted within the White House Office. Should there be any report of malfeasance, an investigation by the White House Counsel's Office or perhaps a referral to the Justice Department would be in order.

During my tenure at the White House, in preparation of the President's annual financial disclosure report, a comprehensive review of the gifts to the President and First Lady subject to required disclosure was conducted, first by the President's private attorney and subsequently by the White House Counsel's office. This review was effective in ensuring that these gifts were properly described and valued. This review also served as a second screening of gifts for their potential to embarrass the President or give the appearance of impropriety. To ensure complete and accurate reporting of gifts on the President's financial disclosure report, the White House Counsel's office, working in conjunction with the President's personal attorney, should review not only the gifts valued at $260 or more, but the entire gift registration database before the President fills out Schedule B of Standard Form 278.

3. Concerning the risk of improper removal of government property, the remedy is to eliminate the confusion over the true owner of the property in the White House. Confusion may stem from the failure to keep a current and accurate inventory of all gifts accepted under the Park Service's gift acceptance authority. The Park Service is required by 3 U.S.C. 109 to conduct only an annual inventory each June. Or the confusion may have resulted from the delay in deciding whether to accept the gift personally, accept it as part of the Residence, or transfer it to the Archives for eventual placement in the Presidential library.

Gifts accepted on behalf of the United States should be labeled immediately upon acceptance, if physically possible, to avoid any doubt as to their ownership. The White House Gift Office database should indicate the disposition of each gift, as the bill would require the Archivist to do. Any gift displayed in the White House complex or loaned to another agency pending a decision as to ownership and final disposition should also be labeled. The bill would require the Archivist to maintain an inventory of Presidential gifts and specify "the current location and status of the gift, including identification of the Federal agency or other person having control of the gift." This is a sound requirement to impose, whether it is done administratively or legislatively, on gifts that are determined to be government property or are eligible to be so determined. However, gifts which the President or First Lady accepts personally should not be inventoried so long as the acceptance is recorded in the White House Gift Office database.

The Park Service's inventory of items in the Executive Residence, rather than an annual event, should be a continuing inventory, with gifts added to the inventory contemporaneously upon their receipt. While it appears to be a good idea to combine into one database information about all Presidential gifts, as a first step the Archivist and Park Service should adopt a common database to govern all Presidential gifts not accepted by the President or First Lady personally.

4. Concerning the risk that gifts may be improperly solicited, the laws against solicitation are already on the books, although it is uncertain and perhaps unlikely that those restrictions would apply to a First Lady. The President is subject to the prohibition on solicitation of gifts or coercing gifts, as well as the prohibition on accepting a gift in return for being influence in the performance of an official act. 5 C.F.R. 2635.202(c)(1), (2), (j). Whether a First Lady might also be found to be subject to the prohibition on solicitation is an open question. In any event, the prohibition on solicitation is only an ethics rule, not a criminal provision, whereas the other prohibition is a restatement of the illegal gratuity criminal provision, 18 U.S.C. 201(c). Here, the best remedy may simply be clear advice from the White House Counsel to the President, the First Lady, and their immediate personal staff as to all applicable gift prohibitions and restrictions, whether imposed by law or as a matter of White House policy.

In sum, there are several actions that can be taken to address each of the problems identified by the Energy Policy Subcommittee staff earlier this year. These modest improvements would reduce the risk of error and the opportunity for abuse.

**Is legislation necessary?**

As you can see, all of the actions I recommend can be taken adopted by the White House office, the Archivist, and the Park Service, without legislation. Most would not require the involvement of the Archivist, which H.R. 1081 would do. The subtext running through my recommended reforms is that the White House Office should be given the opportunity in the first instance to adopt measures to reduce the risk of mistake and abuse. Perhaps the current White House Office has adopted some or most of these recommended reforms. Before Congress legislates any reform in this area, it first should request the White House to explain its practices, procedures and protocols, and to provide any written documentation of such practices and procedures. The Energy Policy Subcommittee's report demonstrates clearly that the Presidential gift system broke down during the last Administration. However, I am not yet resigned to the view that the system cannot be made to work with a set of clear practices and procedures and a system of compliance controls which, while external to the White House Gift Office, would be internal to the White House Office or at least Executive Office of the President. Thus, I believe legislation, whether H.R. 1081 or another vehicle, is premature.

My other concern with any legislation on this subject is that the legitimate privacy interests of the First Family may be compromised. While the bill would exempt from the required report to Congress gifts from relatives of the President and gifts under $250, these gifts would still be recorded in an Archivist database, which information would be available to the public upon request. Currently, FOIA does not apply to the White House Office, but does apply to the National Archives. Also, FOIA contains an exception from required disclosure, 5 U.S.C. 552(b)(6), for personal records the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Congress is certainly entitled to assert its oversight authority to ensure the completeness, accuracy, and integrity of the system for logging, valuation, screening, acceptance, disposition,

and disclosure of Presidential gifts. Congress could require the Archivist and Park Service to agree upon a system for maintaining a current and accurate database of Presidential gifts the President does not accept personally. Congress could also request the Office of Government Ethics to review the White House Counsel's performance of whatever compliance control functions it is assigned. I will leave to others to debate whether Congress should or could ask GAO to perform an occasional audit of White House gifts, or would instead rely on the bona fides of the White House Counsel or Office of Administration in that regard, as would be my preference. Congress could also request that written memoranda of understanding be concluded between the White House Office and Archives, GSA, and perhaps the State Department, spelling out the process and required approvals, and that such memoranda be furnished to Congress.

Regardless of whether reforms are enacted into law or imposed administratively, it is worth noting that no statute or set of procedures will render the Presidential gift system impervious to simple error or even corruption. In the end, the integrity of the Presidential gift system, like any operating system which involves individuals, depends on the competence, conscientiousness, and judgment of the officials who are entrusted with responsibility.

Thank you for giving me the opportunity to provide my views on this subject, and I welcome any questions you may have.

Mr. HORN. Thank you.

We will now start the questioning, and we are going to do it 5 minutes apiece. And we will keep rolling around, and we will share it between parties. And I am going to start out on a few questions for the Archivist of the United States.

Governor Carlin, can you give us an idea of what staffing and funds the Archivist would need to carry out the new responsibilities under H.R. 1081, which proposes to—what do you think? Have you done some budget thinking on what it would cost you in manpower, womenpower, whatever?

Mr. CARLIN. We have not done any detailed analysis from a budget point of view. To do so, we would have to, with the committee, get a clearer understanding of intent, so that we would be producing a budget that would carry out what the committee desired to actually have happen.

It is clear it would take more resources. How much more would depend upon to what extent you would expect us to really duplicate what other existing agencies are now doing.

For an example, as I mentioned in my testimony, if we are to report to Congress every gift over $250, at what part in the process should that take place? If it is at the very front end, we would have to be at the front end, and that would require staff. It would also require resources to do appraising that we do not do at this point.

Obviously, with clarification on the exact implementation you would want us to do, we could certainly produce a budget.

It would require more. I don't think that is the issue, pro or con. We would not argue against the legislation because it would cost money. Our points are as we stated in my testimony.

Mr. HORN. How about the Interior? How much space do you take up now in these various gifts that are given to the Presidency?

Mr. SMITH. Mr. Chairman, I don't know the square footage of that. But I do know that we have offsite locations for that. I can certainly provide that for the record.

Mr. HORN. Well, I just wonder—I am not holding you to the inches. I am just—getting a feeling.

Do you have a room like this that would take, during a 4-year administration, and they all have these things in this kind of space?

Mr. SMITH. Mr. Chairman, again, I don't know the details. It would be larger than that. It would be a museum type of quality space. And there are press reports of how they go back and forth and look for furniture, especially the First Ladies do that. So it would be what you would expect to be, an accredited type of storage space for that.

So it would be quite a bit of storage space. I would provide that for the record.

Mr. HORN. I am interested particularly in the furniture and the paintings which people generously give to the White House and—starting with Ms. Kennedy and the Curators there. It would seem that certainly is what we want turned back. We want it to be part of the people's museum when they go through the White House.

Do you have quite a bit of that during the course of a year?

Mr. SMITH. As I understand it, there is, especially in the early stages of that, as the First Family would look to see how they

would like to set up the various rooms in the White House. But, again, I would like to assure the committee that where that storage space is located, offsite, it is first-class, fully accredited, fire controlled, humidity controlled. Those collections are protected as you would expect a gift to the White House and the Nation should be.

Mr. HORN. That is good to know.

I now yield 5 minutes to the gentlewoman from New York.

Mrs. MALONEY. Thank you, Mr. Chairman. And thank you—and I welcome all of the panelists and thank you for all of your hard work, and particularly Scott Harshbarger with whom I worked on what I consider one of the most important bills that has passed during my time here in Congress, campaign finance reform. And your organization played a tremendous role in that for decades, literally decades.

And when I came here as a freshman in 1992, one of the first bills that I introduced, along with my freshman class, was the congressional gift ban, which became law.

But I am not as clear on Presidential gifts. I don't think I support a ban, particularly for foreign gifts. I think some nations would consider it rude if we said we don't want to accept their gift, and some of their presents have helped create better communication between our two countries.

I would say that the gift of the pandas to our country was a wonderful gesture that has improved education and understanding of our young people, more, of China. I know my daughter has a map of where the pandas live, and she comes every year to see them at the Washington Zoo.

What exactly is the delineation between a gift to the President and a gift to the American people or the White House? What are the guidelines for that? Is every gift from a foreign nation a gift to the country? When is it a gift to the White House?

And I would say that many of these gifts end up in Presidential libraries as part of their museums if they are not part of the White House itself.

So are there guidelines when it is a Presidential museum gift, a Presidential gift or a gift to the Nation? Is every gift from a head of state a gift to the Nation when they give it to our President?

What is the delineation? Does anyone know the exact delineation?

Mr. WALDEN. $260, if the value of the gift is over $260, it is automatically deemed the property of the United States. This is under the Foreign Gift and Decorations Act as implemented by the State Department through regulations.

If it is under $260, it can be accepted as a sign of courtesy if its rejection or declination would be an embarrassment to the foreign relations of the United States. That is a paraphrase.

Mrs. MALONEY. How is the delineation of what goes to Presidential libraries? Everything over $260 belongs to the White House, it cannot go to a Presidential library; or is there some consideration?

Mr. CARLIN. Those that are given with the intent that they go to the White House collection obviously would—the Park Service would take care of.

But, yes, we have many, many foreign gifts that end up in individual Presidential libraries. In fact, I think the vast majority of foreign gifts do end up in Presidential libraries.

Mrs. MALONEY. So it is the intent of the giving country? They will say, I want this for the White House or the Presidential library. Who determines where this gift goes?

Mr. CARLIN. I think that is decided by the White House.

Mr. HARSHBARGER. I just want to stress, you are in the middle of some very important distinctions here. Our point is that none of these gifts would be precluded at all. It would simply be that it is disclosed, who gave it, what it was. That is one whole level, disclosure.

The second is, they would not be the personal property of the inhabitants of the office. That is—that is the distinction that we are seeking to make, which actually we believe to be the intent of the congressional gift ban, perhaps it shouldn't be a "gift ban." It is a "limit." It just simply says that over a certain amount we are not going to have to do all of this discussion about it. We are simply going to say, This goes; this is no longer the property of the individual who inhabits. It may be of the White House, it may be of the Office Of the Presidency, it may be these other distinctions that people who are—can make.

But I think that is the distinction we are trying to make. That is where people have the problem.

Mrs. MALONEY. What I would like a clarification to, what about a personal gift? Say Mrs. Bush was my next-door neighbor, and I gave her a book of poetry that was worth $300? Could she accept this book of poetry and read it every night, if she so chose?

And also I know that many cultural institutions invite the First Families to come to their openings or to their opera or ballet. Say the First Family went to the Metropolitan Opera; is that a gift? What if they go out to dinner with friends, and the friend wants to pay for the dinner? Is that a gift that must be disclosed?

Could you clarify—is there—how are personal, close personal friends—say a college friend wanted to send the President some books that he thought were inspiring. Could he do that? Could the President keep them, or do they have to go a Presidential library that he can't even look at them.

And I would like the Archivist and Mr. Smith from the museum to answer first.

Mr. CARLIN. Well, let my first explore your specific with the book for Mrs. Bush.

If it was appraised at $300, first of all, she could accept it. If the intent was that it would be a personal gift for her, she could accept. And because it is above the limit, on an annual basis it should be part of the report that goes in for the ethics and, ultimately, whatever tax implication that might have.

I would yield to my colleague, Mr. Walden, on the specifics as far as when it gets down to the details of what you are making reference to—a night at the Kennedy Center or at the Metropolitan Opera—because we have no experience as an agency on receiving those kinds of gifts.

Mr. WALDEN. Well, right now the President and the First Lady are not subject to any statutory restriction on gifts. There is only

a reporting obligation if the value of the gift is $260, or the aggregate of gifts received from any one source in a period of a year is $260 or more.

The Office of Government Ethics regulations specify that for entertainment, you look at the ticket price. If a night at the opera is $100—or $200; I have not been at the opera recently, I am not sure if I am in the ball park there—then if it is over $260, it would have to be reported on the financial disclosure report. A gift to the First Lady that is independent of her relationship to the President, because perhaps you went to college with the First Lady, and you give a gift to the First Lady, that does not have to be reported on the financial disclosure report.

Mrs. MALONEY. But if I gave it to the President, it would have to be?

Mr. WALDEN. If it is over $260.

Mrs. MALONEY. What about a dinner with their friends? Their next-door neighbors come to Washington; they want to take them out to dinner. Can they go out to dinner?

Mr. WALDEN. Yes.

Mrs. MALONEY. Are we getting so that our First Ladies and Presidents can't even talk to people because there are so many laws that say—I don't know.

Mr. LIGHT. What if one of your friends comes to town and wants to take you to dinner?

Mrs. MALONEY. I don't go to dinner. I just work all of the time.

No, seriously, my husband thought that going to Washington was going to be fun. He came up here two or three times. I get out of the office past 12 o'clock; we are on the floor at 1 or 2 o'clock in the morning.

I take them to dinner in the Members' dining room. That is what I do.

But I am just curious, because everybody is—as Scott said earlier in his testimony, everybody wants to be honest. I certainly believe that every President and First Lady is of the highest moral ethics; you would not get to that position without it. But you want to make sure that the laws are clear so that you don't—you know, you can go out to dinner with your college buddy and violate a law.

Mr. HARSHBARGER. This is a problem that exists with the ethics laws generally. I mean, it is one you face; it is one that every person here faces to make that distinction. It may well be, rightly or wrongly, part of the double standard that applies to being in public life.

I make a—not a facetious remark, that we might be better if people holding private positions of power adhered to some of those standards as well.

But the other side of it is, the reason we have tended to do—have tended to have these rules and limits is for clarity, for purposes of clarity.

Mrs. MALONEY. But tied to that was the statement by Mr. Walden that you want to consider privacy. And if you could, elaborate on that. If you have to disclose everyone you are having dinner with, everyone you are going out to see—the Kennedy Center, if you take your daughter, you are going to be—or your two daugh-

ters, you are going to be over the gift ban. You are going to be over $200.

So you have to disclose everything—every person you are talking to, every place you go, everything that your college buddy sends you—you know, the 15 books he thinks are going to inspire you; please read them—you are going to have to disclose all of this.

Now, who has access? You have no privacy on what you are reading, where you are going, who you are talking to. How is the privacy there when everything has to be disclosed?

I refer to the attorney on the panel, Mr. Walden. How do you balance the privacy aspect?

Mr. WALDEN. Well, Congress has set a threshold, a reporting threshold. And under that threshold, gifts to the President and the First Lady are not reported, and they are not disclosed even if there were a Freedom of Information Act request on the White House, because the White House office is not subject to FOIA.

So the privacy interests are respected by having a threshold of reporting at $260, it used to be $100, fairly recently, in the last 10 or 12 years.

So it is set legislatively. This Congress obviously has the authority to reduce or lower the reporting threshold. I would not advocate it, to lower it, which would require more reporting, but I think would erode some legitimate privacy interests of all Federal employees.

Mrs. MALONEY. My time is up.

Mr. HORN. I thank the woman. More than that, so Mr. Ose will get 15 minutes on questioning.

Mr. OSE. Thank you, Mr. Chairman. I apologize. At 12 or shortly thereafter I am managing a bill from the larger committee on the floor, and I will have to depart. So I will move expeditiously.

I am particularly interested in Mr. Harshbarger's, Mr. Light's and Mr. Walden's answer to the question: Do you support—the three witnesses on the right, on the right-hand side of the table, the answer to the question: Do you support disclosure of all gifts or only gifts over a certain threshold? And depending on your answer as to whether there is a threshold, what threshold do you recommend?

Mr. Harshbarger.

Mr. HARSHBARGER. I think there should be a threshold.

Mr. OSE. You have got to keep in mind that I've got to leave in, like, 15 minutes.

Mr. HARSHBARGER. Very quickly, I think the key thing is to have an amount, whether it is $50 or $100. I mean, what that limit should be should be clear. And it—the position that we have asserted here is that I would like to have a strong reason why it shouldn't be the same limits that apply to congressional—House and Senate.

Mr. OSE. Mr. Light.

Mr. LIGHT. I think there should be a disclosure limit. I think it should be the same as for Members of Congress.

Mr. WALDEN. There should be a threshold limit. And the President, as an elected official, should have the same amount or threshold as Members of Congress.

Mr. OSE. Mr. Harshbarger has recommended regular posting of gifts information on the Internet, which I think is a great advantage, I think.

Governor, what is your reaction to that? I know what Mr. Harshbarger's position is. I want to ask the other four. Do you believe we should have a regularly posting on the Internet of gifts that have been received at the White House?

Mr. CARLIN. It would be our position to implement the policy that you pass. We have got enough challenges without taking positions on what thresholds should be or not be.

Mr. OSE. You are for or against posting?

Mr. CARLIN. Obviously, as an agency, we are for access. But in terms of the specific policy that this would be different than our normal operating procedure, we would yield to you.

But, generally, yes, we are for access to information. That is what we are all about.

Mr. SMITH. The Park Service would defer to Archives on that. We do not deal with the personal gifts you are talking about.

Mr. OSE. Mr. Light, do you think we ought to post this information on the Internet?

Mr. LIGHT. NARA has got one of the best sites in the Federal Government, and this would only augment its drawing power. Yes, I am in favor of it.

Mr. OSE. With what frequency do you recommend them posting? Daily? Weekly? Monthly? Quarterly?

Mr. LIGHT. We have the technology to do this almost instantaneously.

Mr. OSE. OK.

Mr. Walden, any observations?

Mr. WALDEN. For foreign gifts, I would support putting on the Internet all foreign gifts that are deemed property of the United States.

For gifts accepted for the libraries, gifts accepted by the Archives under its authorities, or gifts accepted by the Park Service, I would support a data base. For personally accepted gifts, I would not.

The financial disclosure report that everone files, all public officials file, must be destroyed after 6 years. And if the information is put on the Net, then it is permanent. If the policy on destroying financial disclosure reports is to be changed, then maybe I would revisit that.

Mr. OSE. I will tell you that was one of the difficulties that we had in trying to quantify the extent of the problem, because we could not go back in the records we no longer had. It was a difficulty for us. And, we have been attacked because we only had records for one administration, but that was reality.

Mr. Harshbarger has got a lot of recommendations. I mean, I know what your written testimony is, but I am going to ask the others. I think these two gentlemen are going to say, we will follow the will of Congress, whether or not the President signs any bill.

Mr. Light, what is your view of the need for the donor's occupation and employer?

Mr. LIGHT. We require the occupation and employer of all transition team members, for example. It is a very simple flag to mark,

and I don't see any problem with including it. Certainly the employer is a de minimis requirement, I would think.

Mr. OSE. Now that is not a piece of information that is currently collected on these gift forms. So you think it ought to be added?

Mr. LIGHT. Yes. What we have across all of those laws for campaign disclosures, for transition participation, are a patchwork of different requirements, depending on what time of year you happen to be involved or what you are giving.

I think this subcommittee could do everyone a favor by rationalizing the reporting requirements across the different kinds of things we give to our political leaders.

Mr. OSE. Mr. Walden, do you agree?

Mr. WALDEN. On one's financial disclosure report, I think it would help to know the employer or the business with which the donor is affiliated. I also think it might assist the White House's job to ask that any gift be accompanied by donor identity so that the counsel's office could adequately determine whether any gift would pose an appearance problem.

Mr. OSE. OK.

Now, we talked about the maximum cap. If I understand, Mr. Harshbarger and the two of you believe the standards for the executive branch should be the same as for the legislative branch. Whatever it is, it is X; am I correct?

Mr. WALDEN. On disclosure, yes.

Mr. OSE. Yes.

Do you support a cap on either the individual value of the gift or the aggregate value of the gift?

If I understand your testimony, it is that you do support a cap of $50 on the individual gift and $100 in the aggregate; is that correct?

Mr. LIGHT. No. That depends on who you are talking to.

Mr. OSE. Mr. Harshbarger, is that your testimony?

Mr. HARSHBARGER. In terms of the individual gifts, our view was, it would be exactly the same as the congressional.

Mr. OSE. Whatever the House and Senate is?

Mr. HARSHBARGER. Whatever the House and Senate is. Any other size gifts can be received. They can be received. They just become—they are just very clearly the property of, you know——

Mr. OSE. This is the point I am trying to get at. There is no prohibition on a gift being received. It is whether or not the individual can keep it.

Mr. HARSHBARGER. That is right. That is the limit that we are trying to—I think you were trying to—that is what we are trying to draw here as well.

Mr. OSE. Let me go to a different subject.

A question arose in the last administration as it relates to when gifts were received. There was a window after the election before a member of the First Family was sworn into office.

Mr. Light, your testimony indicated that you thought there may be merit in prohibiting gift-taking during certain periods. I want to ask Mr. Harshbarger, Mr. Light, Mr. Walden whether or not they support including prohibited periods within this legislation?

Mr. Harshbarger.

Mr. HARSHBARGER. Yes. When we talked about this before, I mean it—first of all, it is likely to be a fairly rare circumstance. But on the other side, the better course seemed to be, very clearly, that there was that window that caused the problem for everybody's purposes.

So I would think that it is reasonable to have a period in which, in that transition, you have limitations; or at least you have limitations apply that are the same, that apply to everybody else in those circumstances.

Mr. OSE. So if you are a Member-elect kind of thing, you would be subject to those?

Mr. HARSHBARGER. I would think that you should be subject to those precisely because you are a Member-elect, and that there shouldn't be a distinction between you at that point and then the office that you are—that you are about to hold.

Mr. OSE. Mr. Light, do you agree with that?

Mr. LIGHT. You know, we cover everyone in the transition coming into office with very clear disclosure and bans on acceptance of gifts and so forth.

You know, I wish it weren't true. I wish we weren't having this hearing. I wish you hadn't dug up all of this data. I wish it wasn't out there.

Mr. OSE. This is very tawdry.

Mr. LIGHT. But, you know, the fact is that we are at a moment now where we have to cure a problem in the public's mind; and it is particularly serious in the last months of an administration. The appearance problems that came out of one, single administration I think have tainted public attitudes for future Presidents; and we may have to do this as a matter of course no matter how difficult it is to us.

Mr. OSE. So you would broaden it beyond just the Member-elect issue, even if someone in the administration or the First Family was not—you would still have that blackout period?

Mr. LIGHT. I think you should have a blackout period.

Mr. OSE. Mr. Walden.

Mr. WALDEN. On the transition coming in, I would support disclosure of gifts. I would not support a ban or a restriction on gifts.

Mr. HORN. If my colleague will permit me, before you leave, what rules apply to gifts to the Vice President and the spouse, and do they need to be changed? What do we do now in terms of the Vice Presidency?

Mr. WALDEN. The Vice President has the same exception that the President enjoys from the gift restrictions. So the Vice President may accept any gift. That does not mean the Vice President accepts all gifts; any gift can always be declined.

Same reporting requirements: $260 aggregate from one source in a reporting period must be disclosed.

Mr. HORN. How about foreign gifts? It would seem to me that he has got to spend a lot of time when the President is not in town and so forth.

Mr. WALDEN. All foreign gifts, whether given to a junior executive branch employee or the President or the Vice President, fall under the Foreign Gifts and Decorations Act. So if the value is

$260 or more, it automatically becomes the property of the United States.

Mr. HORN. Thank you.

Mr. OSE. Thank you, Mr. Chairman.

Mr. Harshbarger, Mr. Light, Mr. Walden, do you support amending H.R. 1081 to include a legislative prohibition on solicitation or coordination of gifts to the First Family?

Mr. HARSHBARGER. Just—I didn't hear.

Mr. OSE. Do you support a legislative—statutory as opposed to regulatory—prohibition on solicitation or coordination of gifts to the First Family?

Right now, it is a regulatory issue that says, well, you shouldn't do it. I am asking you whether or not you think we ought to put that in statute.

Mr. HARSHBARGER. You know, strangely, from this discussion before, I don't disagree with Greg's position that it would be wonderful if we could assume, you know, the regulatory action of—the actions of individuals would apply here.

But I think when—it is inevitable when you have a particular problem, if there—you know, that the legislation becomes one way in which you try to deal with it; I don't think that will solve every problem.

We obviously have gone through this discussion on campaign finance reform. People are going to think of other ways around it. But just that the law doesn't solve every problem doesn't mean we don't pass it and try to do—we do a lot of crimes and conduct like this.

So I think here you have an example of what was—if it was a loophole, I agree with Mr. Light that this was a unique circumstance that highlighted a major problem that clearly has assisted in undermining people's confidence. It is not a focus on Democrats or Republicans. It is the issue. And I think that, therefore, carefully crafted legislation that would address and remedy, at least fill these loopholes would be helpful.

And, you know, I think if you had the limit already, then you add that, you can't do—if you can't do directly these kinds of things, you shouldn't be able to do them indirectly or through agents or through some other kind——

Mr. OSE. I take that as a yes.

Mr. Light, do you support a statutory prohibition?

Mr. LIGHT. It depends. If you put a ban on acceptance of gifts, you know, you are almost—it is redundant to say, don't solicit gifts that you can't take. But it depends on how the legislation goes.

If you are not going to adopt a variation of Representative Mink's proposal, along with yours, then I would say, yes, ban coordinated solicitation, although it is distasteful that we have to say in statute that you shouldn't do the obviously unethical thing. You know what I mean?

Mr. OSE. Yes.

Mr. Walden, any thoughts?

Mr. WALDEN. I would not oppose codifying the ban on solicitation that is found in regulations. But I would not favor putting it in Title 18, making it a criminal provision. As a general matter, this

is a much larger subject, I don't favor criminalizing ethics rules. But codifying it just as a civil statute, I would not oppose.

Mr. OSE. OK.

Now, the—Mr. Light, your testimony states, "Valuation of gifts should be independent, consistent and based on a clearly transparent methodology."

And Mr. Walden states, "If there are no written guidelines on how to conduct the valuation, including when it is necessary to obtain a commercial or independent appraisal, guidelines could be written after consultation with other appraisal experts." Then he adds that "I concede that assigning a valuation process to an entity outside of the White House would ensure proper valuation."

Mr. Harshbarger, what is your view of the need for independent valuation or appraisals of nonminimal-valued gifts, that is, those above or subject to the threshold question?

Mr. HARSHBARGER. I mean, I respect very much Mr. Walden's position.

I want to echo one thing. I think one thing we do need to be careful about is criminalizing this conduct, because I think that it tends to make it very hard as a prosecutor to prosecute these cases. Therefore, you tend not to do them. So civil violations can sometimes serve the same purpose. I just wanted to echo that.

We do a lot of that, making things that make it hard for lots of purposes, for juries——

Mr. OSE. How about on the valuation?

Mr. HARSHBARGER. Now on this one, I would say—I think White House counsel, it would be great if White House counsel performed these functions independently.

We now have enough examples—and I hate to go back to this because it dates me, the 30th anniversary of Watergate. We ought to—at a certain point, to rely upon the discretion of an official who holds his or her job by virtue of simply the pleasure of the person that they are charged with regulating. We ought to see and understand that even though they are supposed to be independent, they are supposed to be professionals, first and foremost.

We see it in the White House. But it is not just public service. We now see it in corporations all over this country. Therefore, independent, outside audits at a certain—at regular points would be, I think, beneficial to the integrity of the professionals inside; would give them more ability to be independent and to be credible inside, because you knew the outside thing was there to validate it.

Mr. OSE. All right.

Mr. Light, clearly, I take your comment to be supportive of independent valuation?

Mr. LIGHT. We would probably want to steer clear of an auditing firm that starts with the letter A. But other than that, yeah, we could figure that one out.

Mr. OSE. Mr. Walden.

Mr. WALDEN. Independent of the White House Gift Office, but inside the White House. I think OGE and, to some extent, GAO could conduct some oversight as to the job the White House Counsel's Office is doing.

But in the first instance, I would entrust the responsibility to the White House counsel.

Mr. OSE. Mr. Chairman, I am sorry. I have to go to the floor to manage this bill. I have a number of questions that remain. I can submit them for the record.

Mr. HORN. Well, we can ask some of them.

Mr. OSE. I appreciate that. This is a very serious issue.

I think the witnesses' comments that this is an unfortunate thing to have to discuss are accurate. It is—the issue we are trying to deal with has no reference whatsoever to who or who may not be in this or that White House during this or that time. This is an issue about giving the people of this country the opportunity to have faith that the decisions being made at the highest levels of government are not being inordinately influenced.

Mr. HORN. OK. Let me pursue some of these questions.

Mr. Smith, Governor Carlin, do you know what changes the White House Gifts Office has made to improve its controls?

Mr. CARLIN. I cannot speak specifically to exactly what has gone on, other than in our workings with them back and forth. It is clear they have made adjustments and are operating in a way from where we can observe in a very appropriate way.

Mr. HORN. By law, Mr. Smith, the Park Service conducts a so-called "snapshot inventory" of all property belonging to the Executive Residence, including gifts in June of each year. Would it not be better for the Park Service to maintain a current and ongoing inventory of all gifts it accepts for the Executive Residence as it receives them?

Mr. SMITH. The documentation, as it receives it, is coordinated with either the Curator or the Chief Usher. The annual count is to actually inventory what is there.

Mr. Chairman, this includes such things as pieces of flatware and china and that type of thing. So it is an ongoing count to account for what is on the record.

Mr. HORN. Do you know what changes in the White House gifts office have been made to improve its controls?

Mr. SMITH. Not in the gifts office, Mr. Chairman. Again, that deals with personal donations of the President. The change that was made in coordination with the White House Curator's office and the White House Chief Usher is that the documentation, the coordination of what either the Curator or the Chief Usher requests the Park Service to accept, either for the museum collection or for the residence, is that there has been a very key clarification made of the intent of the donor, meaning that it is going to be for the U.S. Government, and that is acknowledged back to the donor, and there is a better recordkeeping process between the Park Service and the White House offices.

Mr. HORN. Moving ahead, Mr. Harshbarger, Mr. Light, unfortunately, many of the recent problems with Presidential gifts apparently stemmed from outright violations of the existing statutory requirements and administrative controls.

How will imposing additional requirements and controls solve those kinds of problems?

Mr. HARSHBARGER. I think the answer is that enforcement, as has been mentioned, is key to this. I mean, if you have no credible expectation or credible threat that rules or regulations or laws are going to be enforced, then there—the sanction value isn't there.

I think there is a certain measure—I think we have always believed that public disclosures and public scrutiny tend to add measures of enforcement that have a useful effect.

The reality here is, I think, that you have—you are hoping that by having some measures of independence come into the process that will facilitate it, having some measures of public disclosure that don't now exist will also help serve as an antiseptic.

But I think if you also look at what the actual remedy is, if the remedy is going to, more than this congressional gift ban, limit restriction, I think that, in and of itself, will have significant benefit, because then any violations will be much clearer.

I mean, the very problem we have here is that what exactly is a violation or what isn't is almost as complicated. Once that becomes very difficult, it is very hard to have credible and consistent enforcement.

Mr. LIGHT. The current system is such a mess in terms of allocating, making decisions, and valuing gifts that one could easily violate it without knowing. I am not willing to say that mistakes made in the last few months of the previous administration were deliberate or not. It is hard to tell. There appears to be on these charts a pattern of picking and choosing the gifts that would fit best with the President's future property needs.

But the system is such a mess that H.R. 1081 and other efforts to kind of rationalize it should improve performance right away, just by making it clear exactly where the lines are drawn.

Mr. HORN. Is it basically—well, the Archivist points out from his agency, he couldn't assure that inventory is, in fact, comprehensive.

Now, only the White House could provide that assurance; and in view of this, do you believe the White House should have responsibility to maintain the inventory? What do you think?

Mr. LIGHT. Well, the gifts come in the front door at the White House—or the back door or the side door or whatever it is, but they came to the White House. They are not sent to the Archives. Somebody has got to log the gifts someplace.

The beauty of an outright ban above a certain level is that you eliminate the logging process. Basically, you are saying that if it is above a certain level, it goes back if it is a personal gift.

But, I don't see how you can transfer—well, I suppose you can, technically. But Americans who want to give the President a gift send it to the White House at 1600 Pennsylvania Avenue. Now, whether you want to put all of those in the back of a truck and take them down to Archives, I don't know.

Mr. HARSHBARGER. This problem is not unique to the White House. I mean, every public official has to have some system by which he or she does screening and reviewing of gifts in a variety of ways. Nothing like what comes to the White House, obviously, but I think the reason it comes at that level is because people are giving those gifts.

I hope they are giving those gifts not to get favor or curry favor, or to get influence and access, but they are giving them as sort of a tribute. It seems to me that, therefore, you want to have at every entry point an inventory method, but you need to get it to some centralized place so that it can be reviewed.

So—I mean, the White House clearly is going to have to—continue to have to play functions. The White House counsel is going to have to play major functions under any system. It seems to me that having some clarity as to what is expected is crucial.

Mr. HORN. Mr. Walden, your testimony spells out a series of internal controls that the White House should adopt to improve the administration of Presidential gifts. Would you favor legislation that simply requires the White House to institute and maintain these controls?

Mr. WALDEN. Not at this time.

I think that there should be a very compelling showing before Congress legislates the internal operations of the executive office of the President. Although the record is replete with errors and mistakes made by the prior administration, I don't believe that there is enough of a factual predicate to demonstrate that this White House should be saddled with a legislative requirement that those reforms be done.

However, I think that Congress does have enough oversight authority to ensure that the White House does those reforms.

Mr. HORN. You also state that accountability problems over the Presidential gifts stem in part from the lack of public disclosure and transparency. Yet you also state that legislation on this subject should not compromise legitimate privacy interests of the First Family.

Mr. WALDEN. That's right. I think this is just the price that the public pays to respect—to give the Presidency just a modicum of privacy that otherwise is stripped from the First Family upon election.

Mr. HORN. Do you believe H.R. 1081 goes too far in making gift information available to the public?

Mr. WALDEN. Yes, I do. I don't know whether it was the intent of the bill to supersede FOIA, but the Freedom of Information Act has an exception from disclosure for personnel, medical, or similar records, the disclosure of which would clearly constitute an invasion of personal privacy—that's 5 U.S.C. 552(b)(6)—and H.R. 1081 does not have any such limitation on the public disclosure of any gift information.

Mr. HORN. Are there any other comments you would like to make after you have heard your colleagues' comments? I have lawyers there, and they don't want to go further?

Fine.

Well, here is my last question, Governor. I am concerned about the ability of researchers and others to gain access to copies of e-mails within the custody of the National Archives. Is this a valid concern? You know, we had all these e-mails floating around over the last 2 years; and I must say that gave me a good idea that I ought not have an e-mail. Because some of the silly things I saw floating around the previous administration, just seemed to me that it didn't help the President, and I don't think it helped the country. It was just sort of, you know, a bunch of kids playing another bunch of kids.

I'm just curious, to what extent could the Archives deal with that? I know we are putting a lot of things on you; but in a new

era, if people are going to use e-mails and they are Government documents, can the Archives handle it?

Mr. CARLIN. Well, I think we have little or no choice because e-mail—those are records. The format, the medium does not determine whether they are a record, whether it is on paper parchment or electronic. So our responsibility is just to deal with them as records, treat them as we would regardless of the format.

Obviously, with the technology issue involved, it does make things very complex, as we learned from the last administration where we were dealing with 40 million e-mails. Now the challenge of providing access to them—not to the public, because, by law, the public at this point in the timeframe does not have access, but for you folks and the courts, we are spending a lot of time and energy locating and finding the specific e-mails to which there has been a request for.

Mr. HORN. What procedures do you have now for providing copies? Can you—if someone under the Freedom of Information law said, I would like to see the particulars, either personnel, Presidential personnel—I don't know if that's open. But what are the rules for who can get access to e-mails that are in the custody of the Archives?

Mr. CARLIN. It would be governed by the Presidential Records Act, like any other records. So it would depend upon whether we are in the first 5 years, the first 12 years, and all the exceptions that have been a discussion point with this committee as it relates to the act itself.

Mr. HORN. Well, this deserves, obviously, further time than we have this morning, but I just wanted to see that, because we are in a technological age and we need to handle it just like, as you said, all the other things that people have written over the years.

Mr. CARLIN. Mr. Chairman, I take this opportunity to point out that the even greater challenge for us at the Archives is to be able to preserve these digital records over time, several generations of technology later, and be able to produce electronically an authentic record. That is the huge challenge that we are working with partners around the entire world to try to deal with, and we have confidence in the next few years we will be able to develop that capacity so that 50 or 100 years from now that digital record can be pulled up authentically on a much later generation of technology.

Mr. HORN. Will you still have space for the gifts of the White House?

Mr. CARLIN. Well——

Mr. HORN. Or is that pushing it out?

Mr. CARLIN. Space is an issue with gifts, and there are a lot of complicated issues involved, not just the ones discussed here this morning.

Mr. HORN. Well, I thank you for coming; and I thank the staff that's put this together: Russell George, our Staff Director and Chief Counsel, right behind me; Bonnie Heald, the Deputy Staff Director, next to him; Henry Wray, right to my left, your right, and he is the Senior Counsel for this session; and the majority Clerk is Justin Paulhamus. Chris Barkley is a member of the subcommittee staff; Michael Sazonov, the same, intern; Sterling Bentley, intern; Freddie Ephraim, intern; Joe DiSilvio, intern.

The minority staff: Michelle Ash, Professional Staff; Earley Green, minority Clerk.

Other staffs were Barbara Kahlow, Deputy Staff Director for Mr. Ose's Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs; and we thank the court reporters, Mark Stuart and Desirae Jura. We thank you for all your hard work.

With that, we are adjourned.

[Whereupon, at 12:07 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

**Chairman Doug Ose**
**Opening Statement**
**Accountability for Presidential Gifts**
**February 12, 2002**

To ensure no unfair advantage in the policymaking process or other governmental benefits to donors, the American people have the right to know what gifts were received and retained by their President. Several laws, involving six Federal offices and agencies, govern the current system for the receipt, valuation, and disposition of Presidential gifts.

Today, we plan to examine how the current system has worked and what changes, if any, are needed to ensure accountability. In February 2001, after press accounts of President Clinton's last financial disclosure report and some furniture gifts returned by the Clintons to the White House residence, the Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory began its gifts investigation. Today, we will examine findings from the Subcommittee's investigation.

Current System
First, here is how the current system works. The White House Gifts Unit records all domestic and foreign gifts received by the First Family, including the valuation and disposition of gifts. Under the Presidential Records Act of 1978, the National Archives and Records Administration (NARA) accepts gifts for Presidential libraries and stores Presidential gifts that are not immediately retained by the President but which can be recalled for possible retention by the President. Under a second law, the Department of the Interior's National Park Service (NPS) annually makes a snapshot inventory of public property in or belonging to the White House residence. In addition, NPS officially accepts gifts for the White House residence.

Under a third law, 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 to the First Family. Under a fourth law, the Office of Government Ethics (OGE) receives annual financial disclosure reports 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 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 over a reporting threshold that a Federal employee (including the President) wishes to retain.

Clearly, the current system is a hodgepodge. No single agency is ultimately responsible for tracking Presidential gifts. Because of this split responsibility and to ensure accountability, on March 15, 2001, I introduced H.R. 1081, "Accountability for Presidential Gifts Act." This bill establishes responsibility in one agency for the receipt, valuation and disposition of Presidential gifts.

Investigation

In its 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 former Administration, and the White House Gifts Unit's database for the former Administration. The investigation revealed startling information about retained gifts, valuation of gifts, missing gifts, legal rulings about gifts, and other findings. Several charts disclose details of these findings.

**Chart I-A** shows that the former First Family disclosed $361,968 of retained gifts valued at $260 or more, which were required by law to be disclosed and which were disclosed on their annual financial statements. In December 2000 (i.e., after the former First Lady was elected a U.S. Senator but before her term began), the former First Lady received $38,617 in china and sterling silver gifts purchased from Borsheim's in Omaha, Nebraska (see **Chart I-B**). It is clear that the former First Lady was registered at Borsheim's and that she solicited these gifts because, unlike gifts from Tiffany's, Neiman Marcus and other fancy retailers which only require the name of the intended gift recipient to see his or her gift registry, Borsheim's website says "Friend's Wish List - View a friend's wish list (You will need their e-mail address and wish list password)." This means that the 11 donors who purchased these gifts from Borsheim's needed to know both the former First Lady's personal e-mail address and personal password to purchase items from her "wish list." OGE's rules state that a Federal employee shall not solicit a gift (5 CFR §2635.202(c)(2)).

In addition, the former First Family retained thousands of other gifts valued at less than $260, which were not required to be disclosed. **Chart II** includes an additional $24,012 of gifts valued at $240 to $259. 49 percent of these gifts were not appraised or otherwise independently valued. Charts I and II account for about 2 percent of all gifts retained by the former First Family. The several boxes on display include the one-page gift records for the remaining 98 percent of the gifts (14,445 gift records), each valued by the White House at $239 or less.

Retained gifts of $260 or more included a variety of items, ranging from a $38,000 glass sculpture and a $25,350 Lenox crystal bowl to $172,926 in art objects and books, $68,770 in furniture (sofas, chairs, carpets, etc.), and $39,875 in china and silver to $25,955 in golf items, $23,798 in clothing, $5,975 in jewelry, and other types of items. 26 retained gifts of $260 or more were not disclosed on the former President's annual financial disclosure reports. 61 retained gifts of $260 or more were not appraised or otherwise independently valued.

Many fair-trade items (i.e., brand name goods widely sold), which were not appraised or otherwise independently valued, were undervalued. Many were valued by the White House at less than $260 and, thus, not subject to disclosure. **Chart III-A** includes 26 examples of undervalued items. Some of these gifts, if properly valued (i.e., valued at or over $260), should have been included in the the former President's annual financial disclosure reports or increased in value. **Chart III-B** includes information about 109 Baccarat, Cartier, Ferragamo, Gucci, Hermes, Steuben, Tiffany and Waterford gifts retained by the the former First Family. 50 percent were not appraised or otherwise independently valued. 69 percent were, in fact,

undervalued. Examples include: a Ferragamo coat (estimated at $800 but correctly valued at $1,600-$2,000), a Tiffany 16" silver link necklace (valued at $150, i.e., below the reporting threshold but correctly valued at $450-$1,000), and an engraved 7" x 8" silver Tiffany frame (estimated at $40, i.e., below the reporting threshold, but correctly valued at $250-$375 plus engraving). **Chart III-C** includes examples of non-fair trade items which were probably undervalued, such as various collector's items.

Some gifts were "misplaced" or "lost." **Chart IV-B** includes 30 examples of them, including a 7'3" x 6'2" oriental rug ( valued at $1,200) and an inscribed Tiffany silver box (valued at $271), both of which was "on loan in the Residence" but later "Misplaced by Staff Member, Never Conveyed to the President."

The White House Counsel made some unusual rulings relating to gifts, which were oddly reflected in the treatment of gifts (see **Chart V**). For example, Counsel advised "it would be a bad idea to accept" 10 shares of General Electric stock and thus the gift was returned to the sender. However, the former First Family retained another gift of 15 shares of Coca-Cola stock, valued at $1,027. Publicly-traded stocks are cash equivalents. Cash gifts cannot be accepted.

Furniture

$94,365 in 45 furniture gifts, six of which were never disclosed in the former President's annual financial disclosure reports, are especially remarkable in their complexity (see **Chart VI**). Usually, the Chief Usher for the Executive Residence decides if items should be accepted for the Executive Residence and then NPS sends an official thank you letter as proof for the donor of his or her contribution to the Federal Government. However, on March 24, 1993 (i.e., two months after the inauguration), Deputy Counsel to the President Vince Foster directed the Chief Usher that certain items already received by the White House and certain items not yet received (such as two sofas valued at $8,750 each and a $4,600 coffee table) were to be accepted by NPS for the Executive Residence. Then, in April 1994, Associate Counsel to the President Cheryl Mills contradictingly wrote the Director of the White House Gifts Unit about these three items and many others stating:

> The National Park Service initially thought these gifts to the President were to be accepted for the permanent White House collection; it therefore sent thank you letters to each of the donors. Upon discovering that the President had indicated a desire to have these items go to the Clinton Presidential library, the National Park Service elected not to accept these items; therefore, the Park Service never declared these gifts as accepted for the permanent White House collection.

All three of the furniture items in this example were taken from the White House Residence by the former First Family and then returned to the NPS in February-March 2001.

In fact, it is illegal to remove U.S. government property. Therefore, after unfavorable press reports, in February-March 2001, the former First Family returned 25 furniture items to NPS. However, in September 2001, NPS apparently returned two of these items (a $1,725 easy chair

and a $675 ottoman) back to the former First Family since neither had been officially accepted by NPS for the White House Residence. Also, four furniture gifts (such as a $9,600 TV armoire and a $3,895 gaming table) were never disclosed on the former President's annual financial disclosure reports since the White House Counsel's office stated that they were "accepted" prior to the inauguration even though they were not received in the White House until July 20, 1993 (i.e., six months after the inauguration). How can you "accept" a gift not yet in hand? Lastly, the former First Family still have 21 more furniture items, none of which ever appeared in NPS's White House annual inventory. 19 of these items, valued at $38,328, were received on December 1, 2001, i.e., after the former First Lady was elected a U.S. Senator but before her term began.

Comparison

**Chart VII** reveals that President George H.W. Bush received 41,779 gifts in four years in office, which is an amount similar in magnitude to President Clinton's 94,178 gifts in eight years in office. During George H.W. Bush's Presidency, the reporting threshold was $100; the threshold increased to $250 before the start of the Clinton Presidency. As noted above, Chart II includes an additional $24,012 of gifts to the Clintons valued just below the new threshold. The value of gifts to the Clintons from $100 to $240 was not totaled. As a consequence, it is impossible to directly compare the total value of gifts retained by these two Presidents. However, it should be noted that there is no evidence of improper gift acceptance, valuation or retention by the former Bush Administration.

Conclusion

In summary, I am concerned by many of the Subcommittee's findings. The total value of gifts retained by the former First Family creates at least an appearance problem. The fact that so many gifts were undervalued raises many questions, including whether some were undervalued deliberately. The fact that gifts were misplaced or lost shows sloppy management and maybe more. The fact that U.S. government property was improperly taken is troubling. And, the fact that, after the former First Lady's election to the U.S. Senate and before she was subject to the Congress' very strict gift acceptance rules, the former First Family accepted nearly $40,000 in furniture gifts and the First Lady solicited nearly $40,000 in fine china and silver is disturbing at best. Public servants, including the President, should not be able to enrich themselves with lavish gifts. The current system is clearly broken and needs to be fixed.

I want to be clear that today's hearing is not a witch-hunt to bash the Clintons; instead, it is intended to show that there is a problem that needs a legislative solution. Some may ask why the Subcommittee chose only to explore in-depth the 94,178 gift records (many of which included multiple gifts) from the most recent 8-year period. The Subcommittee's one-year examination clearly demonstrated that the current system is broken. Examining in-depth 41,779 additional gift records for the previous 4-year Presidency was unnecessary to accomplish the purpose of today's hearing.

Witnesses will discuss the need for accountability for Presidential gifts, current gift-recording systems, and policies and procedures of the last two Administrations. I look forward to the

testimony of our witnesses, including: Scott Harshbarger, President and Chief Executive Officer, 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 and Ethics Counsel for President-Elect George W. Bush's transition; and William H. Taft IV, Legal Advisor, DOS. Unfortunately, Bruce R. Lindsey, former Assistant to the President & Deputy Counsel to the President and current Designated Representative for President Clinton, declined my invitation to testify about the Clinton Administration.

**EMBARGOED UNTIL RELEASE 10:30 AM 2/12/02**

Key Findings from the White House Gifts Investigation

- **The Clintons retained $361,968 of gifts** *[227 gift records]* **valued at $260 or more**, which were required by law to be disclosed on their annual financial statements (see Chart I-A). In December 2000, **after Mrs. Clinton's election**, the Clintons received **11 gifts** of fine china and sterling silver (**valued at $38,617**) from Borsheim's (see Chart I-B).

- **The Clintons additionally retained thousands of other gifts** valued at $259 or less, which were not required to be disclosed. For example, Chart II **includes an additional $24,012 of gifts** *[98 gift records]* **valued at $240 to $259**. **49%** of these gifts were not appraised or otherwise independently valued. Charts I and II account for about **2%** of all gifts retained by the Clintons. The several boxes on display include the one-page gift records for the remaining 98% *[14,445 gift records]* of the gifts, each valued by the White House at $239 or less.

- Retained gifts of $260 or more included a variety of items, ranging from a $38,000 glass sculpture and a $25,350 Lenox crystal bowl to $172,926 in art objects and books, $68,770 in furniture (sofas, chairs, carpets, etc.), and $39,875 in china and silver to $25,955 in golf items, $23,798 in clothing, $5,975 in jewelry, and other types of items.

- 26 retained gifts of $260 or more (such as a $25,400 Lenox crystal bowl and a $650 antique gold framed cameo brooch) were **not disclosed** on the Clintons' annual financial disclosure reports. Nine of the 26 were gifts from foreign officials.

- 61 retained gifts of $260 or more (such as a single gift of 3 TV sets and a DVD player valued at $2,993) were **not appraised or otherwise independently valued**.

- 3 retained gifts of $260 or more (such as $739 in Liz Claiborne cosmetics and a $449 palm pilot) showed **"no available" information about the donor** on the White House Gift Records. 8 more showed "no available" donor information in these records; however, the donors' names were later revealed in the Clintons' annual financial disclosure reports.

- Many fair-trade items, which were not appraised or otherwise independently valued, were **undervalued**. Chart III-A includes 26 examples of these items. Some of these gifts, if properly valued, should have been included in the Clintons' annual financial disclosure reports. Chart III-C includes examples of non-fair trade items which were probably undervalued, such as various collector's items.

- Chart III-B includes information about 109 Baccarat, Cartier, Ferragamo, Gucci, Hermes, Steuben, Tiffany and Waterford gifts retained by the Clintons. 50% were not appraised or otherwise independently valued. 69% were, in fact, undervalued. Examples include: a

Ferragamo coat (estimated at $800 but correctly valued at $1,600-$2,000), a Tiffany 16" silver link necklace (valued at $150, i.e., below the reporting threshold but correctly valued at $450-$1,000), and an engraved 7" x 8" silver Tiffany frame (estimated at $40, i.e., below the reporting threshold, but correctly valued at $250-$375 plus engraving).

- Some known gifts were **not included** in the White House Gift Records, such as about 25 from Monica Lewinsky. In fact, these records only show 3 gifts, totaling 4 items, from Ms. Lewinsky (see Chart IV-A). Other gifts were **"misplaced" or "lost."** Chart IV-B includes 30 examples of them, including a 7'3" x 6'2" oriental rug ( valued at $1,200) and an inscribed Tiffany silver box (valued at $271), both of which was "on loan in the Residence" but later "Misplaced by Staff Member, Never Conveyed to the President."

- The **White House Counsel** made some **unusual rulings** relating to gifts, which were oddly reflected in the treatment of gifts (see Chart V). For example, Counsel advised "it would be a bad idea to accept" 10 shares of General Electric stock and thus the gift was returned to the sender. However, the Clintons retained another gift of 15 shares of Coca-Cola stock, valued at $1,027. Another example is that Counsel determined -- without a stated legal reason -- that the following gifts were each "not considered a reportable gift": a $2,000 signed De Kooning lithograph; a $779 painted wicker pedestal; a $250 book of prints of letters from famous people; and a $250 framed matted print of the White House from 1807.

- Some **huge gifts** from domestic donors, which were not retained by the Clintons, went instead to the Clinton Presidential Library. Three examples are: a $90,000 framed original President Truman letter; a $40,000 glass eagle sculpture; and two $33,500 Rolex watches. At least one large item -- a $60,000 necklace, which was part of a $86,000 gift -- was returned to the sender.

- Chart VI provides information about **45 furniture gifts** valued at $94,365. Six were never disclosed by the Clintons, including four "accepted" prior to the inauguration but received in the White House six months after the inauguration. Three have conflicting White House Counsel rulings. The Clintons **returned 25** items, two of which were later returned to them. The Clintons **took 21 additional** items, **19 (valued at $36,740)** were received on December 1, 2001, **after Mrs. Clinton's election.**

- Chart VII reveals that President George H.W. Bush received 41,779 gifts in 4 years in office, which is an amount similar in magnitude to President Clinton's 94,178 gifts in 8 years in office. During George H.W. Bush's Presidency, the reporting threshold was $100; the threshold increased to $250 before the start of the Clinton Presidency. As noted above, Chart II includes an additional $24,012 of gifts to the Clintons valued just below the new threshold. The value of gifts to the Clintons from $100 to $240 was not totaled. As a consequence, it is impossible to directly compare the total value of gifts retained by these two Presidents.

Chart I-A: Disclosure of Retained Gifts Valued by White House at $260 or More[1]

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4417466 | Dale Chihuly glass sculpture | 38,000 | other | yes - 00 | per sheet w. gift |
| 4397234 | Lenox crystal bowl, 2 magnifying glasses | 25,400 | **no** | **no** - 97 | per donor & **estimated** |
| 4106270 | Lenox crystal bowl | 25,350 | other | **no** - 93 | per Lenox |
| 5052618 | Dale Chihuly glass sculpture | 22,000 | other | yes - 00 | per donor |
| 4357364 | 2 sofas, easy chair, ottoman | 19,900 | other | yes - 00 | per Hockersmith |
| 5054333 | china cabinet & chandelier | 8,933 | other | yes - 00 | per Hockersmith |
| 5043762 | antique framed Cooper Union speech | 500 | **no** | yes - 00 | |
| 4410403 | travel humidor | 250 | other | yes - 00 | per Saks |
| 5054329 | 2 coffee tables, 2 chairs | 7,375 | other | yes - 00 | per Hockersmith |
| 5054331 | dining table & server | 6,750 | other | yes - 00 | per Hockersmith |
| 5032645 | 3 golf clubs | 250 | other | yes - 00 | per golf co. |

[1]Including items with the following Dispositions: "President to Retain," "First Lady to Retain," "Chelsea to Retain," and "President and First Lady (or First Family) to Retain." Also, gifts from $250-$259 are included from 1993-1998, i.e., before the reporting disclosure threshold was raised to $260.

[2] If appraised or if otherwise independently evaluated.

[3] NA means not available.

[4] Disclosed amount was $480, i.e., it included a $100 gift which was not identifiable in the White House gifts database.

| Gift # | Description | Value | appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 5054334 | 2 carpets | 6,282 | other | yes - 00 | per Hockersmith |
| 5052608 | 8 five-piece place settings, fish knife, fish fork | 4,967 | other | yes - 00 | per Borsheim's; **donor NA**[3] but in financial disclosure |
| 4408290 | cashmere shawl | 800 | other | yes - 00 | per Saks |
| 5052599 | 12 five-piece place settings | 5,000 | other | yes - 00 | per Borsheim's |
| 5054335 | rug | 5,000 | other | yes - 00 | per Hockersmith |
| 5052604 | 12 five-piece place settings | 4,992 | other | yes - 00 | per Borsheim's |
| 5052602 | 8 five-piece place settings, fish knife, fish fork | 4,967 | other | yes - 00 | per Borsheim's |
| 5052603 | 8 five-piece place settings, gravy ladle | 4,944 | other | yes - 00 | per Borsheim's |
| 5052544 | 9 five-piece place settings, 8 soup bowls | 4,920 | other | yes - 00 | per Borsheim's; **donor NA**[3] but in financial disclosure |
| 5052600 | 16 soup bowls, soup tureen & stand, salad bowl, 2 trays | 4,787 | other | yes - 00 | per Borsheim's |
| 4357355 | dining table, 4 armchairs<br>wicker table | 3,650<br>779 | other<br>other | yes - 00<br>**no** - 00 | per Hockersmith<br>wicker table **has GC determination "not considered a reportable gift"** |
| 4396032<br>4394421 | golf clubs, inscribed golf bag, 2 video sets<br>6 personalized golf shirts, 4 sweater vests<br>3 golf drivers | 2,675<br>640<br>1,110 | **no**<br>other<br>other | yes - 96<br>yes - 96<br>**no** - 96 | per donor<br>per store<br>per store |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4361356 | bronze Eleanor Roosevelt statue | 4,000 | yes | yes - 96 | |
| 4428371 | framed portrait | 3,000 | yes | **no** - 99 | donor is foreign official |
| 5025673 | 30" x 40" painting | 3,000 | **no** | yes - 00 | per donor |
| 4358117 | sculpture | 3,000 | **no** | yes - 93 | per donor |
| 4417231 | silver-plated saxophone, 2 music books | 3,000 | yes | yes - 98 | |
| 5054278 | 3 TV sets, DVD player | 2,993 | **no** | yes - 00 | |
| 4357362 | sofa | 2,843 | other | yes - 00 | per Hockersmith |
| 4432764 | 2 handbags | 2,750 | **no** | yes - 99 | |
| 4103859 | inscribed bronze bust of President Truman | 2,500 | yes | yes - 00 | |
| 4362409 | engraved saxophone | 2,500 | yes | yes - 95 | |
| 4433468 | 2-piece men's suit | 2,500 | other | yes - 99 | per clothier |
| 4381634 | original Peter Max painting | 2,500 | yes | yes - 00 | |
| 5054336 | 8 dining chairs | 2,400 | other | yes - 00 | per Hockersmith |
| 4371524 | 3 photographs | 2,400 | **no** | yes - 94 | **estimated** |
| 5052605 | 40 five-piece place settings | 1,960 | other | yes - 00 | per Borsheim's; **donor NA**[3] but in financial disclosure |
| 5015005 | wool jacket | 150 | **no** | yes - 00 | **estimated** |
| 4370313 | 3 golf woods, irons, wedge, putter, staff bag | 2,060 | **no** | yes - 95 | per donor |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4353121 | engraved saxophone | 2,000 | yes | yes - 95 | |
| 4367176 | original oil painting | 2,000 | yes | yes - 98 | |
| 4404409 | leather golf bag | 1,850 | other | yes - 97 | per company |
| 4426364 | 100 videotapes | 1,750 | **no** | yes - 98 | |
| 4366111 | bible encased in sterling silver | 1,600 | yes, est. | yes - 94 | |
| 5052607 | 40-piece place settings, 8 serving spoons, 2 serving forks, 2 serving knives, gravy ladle | 1,588 | other | yes - 00 | per Borsheim's |
| 4407299<br>4409376 | first edition "Huckleberry Finn"<br>framed photograph, book | 1,250<br>290 | other<br>yes | yes - 97<br>yes - 97 | per web |
| 4426435 | Longmire cufflinks, book | 1,515 | other | yes - 99 | per Longmire & web |
| 4411188 | inscribed framed Doonesbury cartoon | 1,500 | yes | yes - 98 | |
| 4423934 | 3 golf drivers | 1,377 | other | yes - 98 | per golf shop |
| 4433773 | Bijan cashmere sweater | 1,353 | **no** | yes - 00 | per donor |
| 5005519 | Hermes blanket | 1,350 | other | yes - 99 | per Hermes |
| 4433227 | 2 framed watercolors | 1,300 | yes | yes - 00 | |
| 4408382 | 11 leather-bound books | 1,200 | yes | yes - 97 | |
| 4113658 | framed oil painting | 1,200 | yes | yes - 93 | |
| 4352525 | painting | 1,200 | yes | yes - 93 | |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4352526 | painting | 1,200 | yes | yes - 94 | |
| 4103551 | set of dumbbells | 1,200 | other | yes - 96 | per store |
| 4357353 | 6 table lamps, 1 floor lamp | 1,170 | other | yes - 00 | per Hockersmith |
| 4395326 | Cartier desk clock, Tiffany ring with sapphires & pearls | 795 | other | yes - 96 | per Cartier & Tiffany's |
| 4352786 | handbag | 360 | other | yes - 96 | per Neiman Marcus |
| 4384148 | leather sofa | 1,088 | other | yes - 99 | per Hockersmith |
| 4413655 | 2 felt handmade cowboy hats | 1,080 | **no** | yes - 98 | per Steve King |
| 4433774<br>4431121 | 1st edition book, another book<br>bronze antique bas relief of President Lincoln | 775<br>300 | part yes<br>yes | yes - 99<br>yes - 99 | **donor NA**[3] but in financial disclosure |
| 4405452 | 15 shares of Coca-Cola common stock | 1,027 | other | yes - 97 | per donor |
| 4419015 | Panasonic DVD player, 3 movie discs | 1,019 | other | yes - 98 | per Myer-Emco |
| 4430933 | handpainted doll | 1,000 | yes | yes - 99 | |
| 4374879 | crystal vase from Ireland | 1,000 | **no** | yes - 95 | per donor's off. |
| 4362582 | needlepoint-style rug | 1,000 | **no** | yes - 00 | **estimated** |
| 4113522 | handcrafted sterling silver bracelet | 935 | other | yes - 93 | per Gogo Jewelers |
| 4352785 | satin handbag | 925 | **no** | yes - 94 | per donor |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4359053 | watch | 925 | **no** | yes - 94 | per donor |
| 4399879 | shoe insoles, exercise balls, shorts, shirts, jacket, sweater | 470 | other | yes - 97 | per store |
| 4399473 | 144 golf balls with Presidential seal, golf towels | 441 | other | yes - 97 | per invoice |
| 4381282 | golf bag, 2 golf clubs, putter | 909 | **no** | yes - 96 | per donor |
| 4393515 | 3 hardcover books from Jackie Kennedy Onassis estate, 3 t-shirts | 900 | yes | yes - 96 | |
| 4359005 | 16 golf clubs, 4 golf covers, golf bag | 900 | other | yes - 94 | per golf shop |
| 4106825 | wooden gavel made from 3 historical sites | 900 | yes | yes - 95 | |
| 4410406 | cashmere sweater & shirt set | 600 | other | yes - 99 | per stores |
| 4406853 | Bijan silk tie | 300 | other | yes - 99 | per Bijan |
| 4393486 | 44 men's & 20 women's watches of Clintons | 640 | **no** | yes - 96 | **estimated** |
| 4392306 | 10 watches of Clintons | 100 | **no** | yes - 96 | **estimated** |
| 4395179 | 16 watches of Clintons | 160 | **no** | yes - 96 | **estimated** |
| 5017549 | 3 golf drivers with covers | 897 | other | yes - 99 | per golf center; **donor NA**[3] but in financial disclosure |
| 5006483 | 4 Brioni ties, 2 Brioni tie & handkerchief sets | 890 | other | yes - 99 | per Neiman Marcus |
| 4430938 | clay pot from Acoma, NM pueblo | 850 | other | yes - 99 | per price tag |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4406123 | 10 Polo Ralph Lauren items: golf shirt, golf pants, golf cap, golf gloves, shorts, jacket, sport top, pants, short-sleeved polo, sweater | 825 | other | yes - 97 | per donor & web |
| 5024659 | Ferragamo coat | 800 | yes, est. | yes - 99 | |
| 5042674 | framed photo of Duke Ellington | 800 | **no** | yes - 00 | per donor |
| 4361781 | original photographic print of Lester Young | 800 | **no** | yes - 95 | per donor |
| 4373069 | oil painting | 750 | yes | yes - 96 | |
| 4359490 | quilt | 750 | **no** | yes - 94 | per donor |
| 4410301 | puppy, dog training, kennel services | 750 | **no** | yes - 97 | per donor |
| 4363925 | inscribed very rare hardcover book | 750 | other | yes - 98 | per bookseller |
| 5021728 | variety of Liz Claiborne cosmetics | 739 | other | **no** - NA | per website; **donor NA**[3] |
| 4430926 | clay pot & dish from Isleta, NM pueblo | 700 | yes | yes - 99 | |
| 4354995 | ski jacket | 700 | **no** | yes - 94 | per donor |
| 4360000 | 1956 framed playbill | 700 | yes | yes - 99 | |
| 4100392 | silver framed photograph, several compact discs | 700 | other | yes - 98 | per framer |
| 5005882 | sterling silver box | 650 | yes | yes - 99 | |
| 4361347 | antique gold framed cameo brooch | 650 | yes | **no** - 94 | donor is foreign official |
| 4101147 | painting | 650 | yes | yes - 00 | |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4377905 | framed watercolor | 650 | yes | yes - 00 | |
| 4388115 | golf clubs | 650 | other | yes - 00 | per golf store |
| 5012279 | antique phonograph, 2 antique music cylinders | 650 | yes | yes - 99 | |
| 5018991 | 8 golf irons | 649 | other | yes - 99 | per golf center |
| 4410413 | cashmere throw | 600 | yes | yes - 97 | |
| 4364149 | inscribed sterling silver tray | 600 | **no** | **no** - 94 | **estimated**; donor is foreign official |
| 4364365<br>4361646 | Brioni sweater<br>Hermes scarf | 375<br>225 | other<br>other | yes - 94<br>yes - 94 | per Brioni<br>per Hermes |
| 5050257 | lounge wear pants, 2 shirts, sweater | 595 | other | yes - 00 | per website |
| 4424954<br>4413195 | golf driver, putter<br>golf driver | 298<br>279 | part yes<br>**no** | yes - 99<br>yes - 99 | per co.<br>per donor; gift given in 98 |
| 4409353 | 2 golf clubs | 550 | other | yes - 97 | golf pro shop |
| 4349597 | 2 sterling silver Tiffany frames | 530 | other | yes - 93 | per Tiffany's |
| 4402884 | football, leather jacket, Tiffany plaque | 525 | **no** | yes - 97 | per donor |
| 5039671 | golf driver, 35 golf balls | 524 | other | yes - 00 | per web |
| 4396500 | 3 sweaters | 510 | other | yes - 97 | per Polo store |
| 4409958 | framed photo of Eleanor Roosevelt | 500 | yes | yes - 97 | |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4416348 | accommodations at Hilton Head | 500 | other | yes - 97 | per donor |
| 4103847 | numbered edition book, framed & signed photograph | 500 | **no** | yes - 98 | per Vince in photo editing |
| 5051909 | Michael Audiard pen | 500 | yes | **no** - 00 | donor is foreign official |
| 4371525 | contemporary arm chair | 500 | yes | yes - 94 | |
| 4397474 | golf driver | 500 | other | yes - 00 | per golf center |
| 4389068 | President Kennedy's golf putter | 500 | yes | yes - 96 | |
| 4433753 | framed photograph | 500 | yes | yes - 99 | |
| 4113644 | brass saxophone | 500 | ? yes | yes - 99 | |
| 4353140 | crystal vase | 500 | yes | **no** - 94 | donor is foreign official |
| 5043753 | antique biography of Washington | 500 | **no** | yes - 00 | |
| 4354079 | 1934 check signed by President Truman | 500 | yes | yes - 00 | |
| 5049688 | golf driver | 499 | other | yes - 00 | per web |
| 4403850 | golf driver | 499 | other | yes - 97 | per golf co. |
| 5009649 | Waterford crystal vase | 495 | other | yes - 99 | per Nordstrom's |
| 4362510 | personalized cowboy boots | 495 | other | yes - 94 | per shoe store |
| 4112444 | jogging pants & suit, cap, shirt, duffle bag, sweatshirt | 490 | other | yes - 93 | per Herman's |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4112489 | jogging pants, cap, polo shirt, t-shirt, duffle bag, sweatshirt, jogging suit | 490 | other | yes - 93 | per Herman's |
| 4356758 | set of golf clubs, golf club | 485 | other | yes - 94 | per Wash. golf |
| 4421637 | 2 golf drivers | 480 | other | yes - 98 | per web |
| 4415166 | ceramic cheese plate & porcelain teapot | 450 | yes | **no** - 98 | donor is foreign official |
| 4392448 | photo of Eleanor Roosevelt | 450 | other | yes - 96 | per donor |
| 4349984 | 3 personalized baseball gloves | 450 | other | yes - 93 | per Herman's |
| 5015945 | limited edition leather jacket | 450 | yes | yes - 00 | |
| 4400728 | cowboy boots | 450 | **no** | yes - 00 | per donor |
| 4425604 | Tumi leather briefcase | 450 | other | yes - 98 | per Lane's; **donor NA**[3] but in financial disclosure |
| 4364562 | personalized golf driver | 450 | other | yes - 94 | per golf co. |
| 4367051 | personalized golf wood club | 450 | other | yes - 95 | per golf co. |
| 4428077 | engraved Montblanc pen | 450 | other | yes - 99 | per web |
| 5035530 | palm pilot | 449 | other | **no - NA** | per web; **donor NA**[3] |
| 5010167 | crystal figurine | 425 | **no** | yes - 99 | per donor |
| 4104049 | embossed handcrafted leather box | 425 | **no** | yes - 00 | **estimated** |
| 4114020 | 8 silk Ralph Lauren ties, sweatshirt | 420 | **no** | yes - 93 | **estimated** |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4403464 | ceramic: 8 tea cups, 8 plates, 8 saucers, large plate, teapot, creamer, sugar bowl | 400 | yes | yes - 97 | |
| 4409358 | framed map | 400 | yes | yes - 97 | |
| 4408389 | Lladro porcelain figurine | 400 | **no** | yes - 97 | per donor |
| 4410867 | cashmere shawl | 400 | other | yes - 97 | per store |
| 4378071 | 4-volume history of Clinton family genealogies | 400 | **no** | yes - 95 | per donor |
| 4103051 | 4 pair of imprinted sneakers | 400 | **no** | yes - 93 | **estimated** |
| 4376890 | 2 golf clubs | 400 | other | yes - 95 | per gold co. |
| 4391049 | golf driver | 400 | **no** | yes - 96 | **estimated** |
| 4403375 | limited edition golf putter | 400 | **no** | yes - 99 | per donor |
| 4416407 | Animaniacs film cel | 400 | yes | yes - 98 | **donor NA**[3] but in financial disclosure |
| 4417155 | cashmere coat | 395 | yes | yes - 98 | |
| 4372404 | 2 watches, key chain, t-shirt, travel bag, day pack, baseball cap, 4 pairs of socks | 395 | other | yes - 95 | per Eddie Bauer |
| 4357009 | Olympic team jacket, Stetson cowboy hat | 380 | other | yes - 94[4] | per USOC |
| 4430486 | golf club | 379 | other | yes - 99 | per web |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4359703 | 2 Tiffany crystal soccer balls, duffle bag, soccer ball, 3 baseball caps, t-shirt, pin, handbook, M&Ms | 370 | part yes | yes - 94 | |
| 4401549 | 4 Gieves & Hawkes ties | 360 | other | yes - 97 | per store |
| 4353933 | 8 golf irons | 360 | yes | yes - 00 | |
| 4417864 | bronze statue | 350 | **no** | yes - 98 | per donor |
| 4423856 | leaded glass reproduction Tiffany lamp | 350 | yes | yes - 98 | |
| 4419347 | Tiffany inscribed framed photo | 350 | other | yes - 98 | per Tiffany's |
| 4370255 | framed painting | 350 | **no** | yes - 96 | per donor |
| 5049663 | large framed tapestry | 350 | **no** | yes - 00 | **estimated** |
| 4424633 | baseball bat & baseball jersey, both signed by Sammy Sosa | 350 | yes | yes - 98 | |
| 4361764 | art print | 350 | **no** | yes - 94 | per donor |
| 4112337 | carved fetish, leather pouch | 350 | **no** | yes - 93 | per donor; **donor NA**[3] but in financial disclosure |
| 4102904 | framed cartoon | 350 | **no** | yes - 95 | per donor's off. |
| 5020057 | golf driver | 350 | other | yes - 00 | per web |
| 4388165 | golf driver | 350 | **no** | yes - 96 | per donor |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4378293 | signed framed painting | 350 | yes | yes - 98 | |
| 4411105 | framed print | 342 | other | yes - 97 | per art store |
| 4102225 | Ryder Cup money clip, gold pendant, sweatshirt | 340 | other | yes - 93 | per golf donor's off. |
| 5017576 | Skif sweater & turtleneck | 340 | other | yes - 00 | per Skif |
| 4372991 | embossed leather belt | 330 | **no** | yes - 95 | |
| 4375784 | 3 golf irons | 330 | other | yes - 95 | per golf pro |
| 4370607 | 4-coin proof set | 325 | other | yes - 95 | per US Mint |
| 5010171 | leather jacket | 320 | other | yes - 99 | per web |
| 4373471 | golf bag, golf shirt, canvas bag | 310 | **no** | yes - 00 | |
| 4421738 | suede jacket | 300 | yes | **no** - 98 | donor is foreign official |
| 4391343 | 2 hardcover books inscribed by Eleanor Roosevelt | 300 | yes | yes - 96 | |
| 5052601 | 2 fish knives | 300 | other | yes - 00 | per Borsheim's |
| 5004184 | ceramic vase | 300 | yes | **no** - 99 | donor is foreign official |
| 5019783 | framed oil painting | 300 | other | yes - 00 | per framemaker donor |
| 4400885 | 2 wool & leather jackets, 2 baseball caps | 300 | other | yes - 97 | per CBS store |
| 4376428 | inscribed golf driver | 300 | **no** | yes - 00 | **estimated** |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4399476 | 3 golf putters | 300 | other | yes - 00 | per Wash. golf center |
| 4425318 | inscribed boxing gloves from movie "Rocky" | 300 | yes | yes - 00 | |
| 4406714 | signed framed oil | 300 | yes | yes - 00 | |
| 4412958 | used hardcover book signed by President Ford | 300 | yes | yes - 98 | |
| 4418789 | signed framed Herb Block cartoon | 300 | yes | yes - 98 | |
| 4369400 | hand-carved golf putter | 300 | **no** | yes - 00 | **estimated** |
| 4403300 | golf driver used by JFK & RFK | 300 | yes | yes - 97 | |
| 4406676 | framed oil painting | 300 | yes | yes - 98 | |
| 4408469 | golf driver | 299 | other | yes - 97 | per web |
| 5009411 | 26 compact disc set | 297 | other | yes - 99 | per web |
| 5011863 | Baccarat crystal vase | 295 | yes | yes - 99 | |
| 5004128 | Baccarat crystal sculpture, shirt | 295 | **no** | **no-** 00 | per donor's off. |
| 4349444 | 14 silk neckties | 280 | **no** | yes - 93 | **estimated** |
| 4416795 | Limoges gold bag box & Limoges egg box | 274 | other | yes - 98 | per store |
| 4383322 | porcelain pendant; lacquered jewelry box; miniature wooden Japanese house & store | 255 | yes | **no** - 96 | |
| 4107113 | 3 Donna Karan silk ties | 255 | other | yes - 93 | per store |

| Gift # | Description | Value | If appraised [2] | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 4369062 | golf club | 255 | yes | **no** - 95 | |
| 5021859 | paper mache cow figurine; tie; box of cigars | 255 | **no** | **no - NA** | **pending value** |
| 4375396 | wood jewelry box | 250 | **no** | **no** - 95 | per donor; **donor NA**[3] |
| 4389788 | unframed poster | 250 | **no** | **no** - 96 | **estimated** |
| 4356421 | portrait of Clinton | 250 | yes | **no** - 94 | |
| 4362945 | golf driver | 250 | **no** | **no** - 94 | **estimated** |
| 4374718 | baseball signed by Toronto Blue Jays | 250 | yes | **no** - 95 | |
| 4374725 | inscribed golf putter | 250 | other | **no** - 95 | per donor |
| 4395107 | 10 dozen golf balls with Presidential seal | 250 | **no** | **no** - 96 | **estimated** |
| 4108950 | 2 golf clubs in nylon bags | 250 | yes | **no** - 93 | |
| 4100814 | bust of President Roosevelt | 250 | **no** | yes - 96 | **estimated** |
| 4382645 | framed lithograph | 250 | **no** | yes - 96 | per donor |
| 4417893 | statue of Eleanor Roosevelt | 250 | **no** | yes - 98 | per donor |
| TOTAL | | 361,968 | 61 no's | 26 no's | |

4 patterns

Chart I-B: Gifts from Borsheim's Fine Jewelry and Gifts (including 1 gift below reporting threshold): in gift order #

| Gift # | Date Presented | Description | Value | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 5052544 | 12/20/00 | 9 five-piece place settings, 8 soup bowls - from Stafford Flowers collection | 4,920 | yes - 00 | **NA** but in financial disclosure |
| 5052599 | 12/27/00 | 12 five-piece place settings - from Stafford Flowers collection | 5,000 | yes - 00 | |
| 5052600 | 12/29/00 | 16 soup bowls, soup tureen & stand, salad bowl, 2 trays - from Stafford Flowers collection | 4,787 | yes - 00 | |
| 5052601 | 12/29/00 | 2 fish knives - from Grand Duchess collection | 300 | yes - 00 | |
| 5052602 | 12/27/00 | 8 five-piece place settings, fish knife, fish fork - from Grand Duchess collection | 4,967 | yes - 00 | |
| 5052603 | 12/27/00 | 8 five-piece place settings, gravy ladle - from Grand Duchess collection | 4,944 | yes - 00 | |
| 5052604 | 12/26/00 | 12 five-piece place settings - from Stafford Flowers collection | 4,992 | yes - 00 | |
| 5052605 | 12/22/00 | 40 five-piece place settings - from Promenade White collection | 1,960 | yes - 00 | **NA** but in financial disclosure |
| 5052606 | 12/29/00 | large platter, sauce boat, sugar bowl, soup tureen - from Promenade White collection | 192 | **no** | |
| 5052607 | 12/8/00 | 40-piece place settings, 8 serving spoons, 2 serving forks, 2 serving knives, gravy ladle - from Valcourt collection | 1,588 | yes - 00 | |

| Gift # | Date Presented | Description | Value | On financial disclosure | Comment |
|---|---|---|---|---|---|
| 5052608 | 12/27/00 | 8 five-piece place settings, fish knife, fish fork - from Grand Duchess collection | 4,967 | yes - 00 | **NA** but in financial disclosure |
| TOTAL | | | $38,617 | | |

**NA** means information not available in White House Gifts database.

Chart II: Undisclosed Retained Gifts Valued by White House at $240 - $259[1]

| Gift # | Description | Value | If appraised[2] | Comment |
|---|---|---|---|---|
| 5012251 | Limoges box & champagne box, bottle & glasses | 259 | other | part per web |
| 5012237 | 26 CDs set | 257 | other | per web |
| 5016146 | 2 silk ties & tie case by Ferragamo | 255 | other | per store |
| 5050752 | cyclamen plant & potted orchid | 255 | other | per store |
| 5043750 | old books | 255 | **no** | |
| 4425558 | bench | 250 | **no** | per donor |
| 4429125 | cotton blanket & 3 pillows | 250 | yes | |
| 4430893 | signed clay pot | 250 | yes | |
| 4430890 | sculpture: "Corn Maiden" | 250 | yes | |
| 5051974 | cashmere scarf | 250 | yes | donor is foreign official |
| 5031149 | necklace | 250 | **no** | **estimated** |

[1]Including items with the following Dispositions: "President to Retain," "First Lady to Retain," "Chelsea to Retain," and "President and First Lady (or First Family) to Retain." Also, gifts from $250-$259 are not included from 1993-1998, i.e., before the reporting disclosure threshold was raised to $260.

[2] If appraised or if otherwise independently evaluated.

[3] NA means not available.

| Gift # | Description | Value | If appraised[2] | Comment |
|---|---|---|---|---|
| 5030293 | handmade quilt | 250 | **no** | **estimated; NA[3]** but "frequent gift donor" |
| 4429292 | woven rug | 250 | yes | **NA[3]** |
| 5008971 | 2 silk ties & 3 silk/chiffon scarves | 250 | **no** | **estimated** |
| 5043036 | 2 jackets, pair of sneakers | 250 | other | per donor |
| 5023440 | woolen shawl | 250 | yes | **NA[3]** |
| 5039031 | 3 books & 3 CDs | 250 | **no** | **estimated** |
| 5025279 | jacket with suede arms | 250 | **no** | per donor |
| 5016433 | Citizen watch | 250 | **no** | **estimated** |
| 5016245 | 2 Mondo di Marco sweaters | 250 | **no** | **estimated** |
| 5004758 | 2 silk Ragusa ties | 250 | **no** | **estimated** |
| 4426758 | framed photo of an Indian chief | 250 | yes | |
| 4426373 | golf club | 250 | **no** | per donor's office |
| 5037046 | 12 clay fu dog figures | 250 | yes | **NA[3]** |
| 5043751 | golf driver | 250 | other | per web |
| 5052251 | box of cigars | 250 | **no** | per donor |
| 5053781 | book & framed photo of Pebble Beach | 250 | **no** | **estimated** |

| Gift # | Description | Value | If appraised[2] | Comment |
|---|---|---|---|---|
| 5034764 | Zaharoff perfume, 2 soaps, 2 compacts, etc. | 250 | other | per donor |
| 4432721 | framed photo & soccer ball, signed by players | 250 | part yes | |
| 5051849 | 15 Fuente cigars | 250 | **no** | **estimated** |
| 5015513 | 5 ties designed by Rappaport | 250 | **no** | **estimated** |
| 5018065 | Ceiva picture frame for digital photos | 249 | other | per web site |
| 4391820 | **Yves Saint Laurent men's suit** | **249** | **no** | per donor |
| 4392220 | Waterford crystal golfer & Waterford crystal Capitol Dome | 248 | part yes | part **estimated** |
| 4417976 | ceramic bowl with lid | 248 | other | per co. |
| 4363649 | 2 jackets, framed photo, duffle bag, t-shirt, etc. | 248 | other | per donor |
| 4108750 | 3 pair of Ray-ban sunglasses | 247 | other | ? retail source |
| 4381807 | box of cigars, 1962 rally program, photo | 247 | other | part per store |
| 4109168 | Warner Brothers clothing:2 sweatshirts, shirt, etc. | 246 | other | per store |
| 4406568 | 3 t-shirts, book bag & 8 books | 246 | **no** | **estimated** |
| 4357098 | handcrafted quilt | 245 | **no** | **estimated** |
| 5035458 | 2 pairs of sunglasses, 2 faux leather pouches, etc. | 245 | **no** | **estimated** |
| 4424820 | 2 calendars, 4 videotapes, 2 pens, 4 CDs, 2 books | 245 | **no** | **estimated** |

| Gift # | Description | Value | If appraised[2] | Comment |
|---|---|---|---|---|
| 4427190 | gold cross pendant with center diamond | 245 | yes | **NA[3]** |
| 4408261 | cashmere sweater | 245 | **no** | **estimated** |
| 4111414 | Bulova watch | 245 | other | per donor |
| 4385057 | custom leather men's shoes | 245 | **no** | **estimated** |
| 5039713 | two gold chains with crosses | 245 | yes | |
| 4386619 | Parker ballpoint pen, gold & garnet men's ring | 245 | part yes | **estimated** |
| 4421243 | cashmere sweater & book of verses | 245 | other | part per store |
| 4402291 | crystal sculpture, 2 ties, 2 scarves, 2 duffle bags, book, 2 baseball caps, pin | 245 | **no** | **estimated** |
| 4404421 | golf driver | 245 | other | per donor |
| 4356097 | shirt, 12 golf balls & driver | 245 | part yes | golf balls & driver **estimated** |
| 4109299 | 3 pairs of Dexter shoes | 245 | other | per donor |
| 4394439 | silk tie, 2 shoulder bags, 2 polo shirts, 24 golf balls, silk handkerchief, 4 videotapes, etc. | 245 | **no** | **estimated; NA[3]** |
| 4373761 | 2 hairbrushes, lotion, hair gel, nail polish, etc. | 242 | other | per donor |
| 4100704 | 3 pair of men's shoes | 242 | other | per donor |
| 5051345 | 6 dozen roses | 242 | other | per florist |

| Gift # | Description | Value | If appraised[2] | Comment |
|---|---|---|---|---|
| 4363113 | 4 polo shirts, 4 t-shirts, 4 hats | 241 | **no** | **estimated** |
| 4411873 | box of 20 cigars, 13 cigars | 241 | other | part per web |
| 5010836 | 16 cigars | 240 | other | per store |
| 4413666 | 30 cigars | 240 | other | per web |
| 4377935 | silver dolphin sculpture | 240 | **no** | **estimated** |
| 4396619 | **12 silk ties** | **240** | **no** | **estimated** |
| 4382056 | 3 boxes of 16 cigars each | 240 | other | **estimated** from store |
| 4350791 | 12 photos | 240 | other | per photo office |
| 4378984 | 8 silk ties | 240 | **no** | **estimated** |
| 4355531 | mahogany box with personalized stationary | 240 | other | per store |
| 4361934 | presentation case for book | 240 | **no** | **estimated** |
| 4362559 | 3 canvas bags & 10 hardcover books | 240 | **no** | **estimated** |
| 4350271 | stone sculpture | 240 | **no** | **estimated** |
| 4107552 | 2 sets of Russian stacking dolls | 240 | yes | |
| 5041469 | 15 CDs | 240 | **no** | **estimated** |
| 5007074 | golf bag, sweater, shirt, golf gloves, t-shirt, etc. | 240 | **no** | **estimated** |
| 4396435 | 1 pair of men's dress shoes | 240 | other | per store |

| Gift # | Description | Value | If appraised[2] | Comment |
|---|---|---|---|---|
| 4406490 | 3 polo shirts, 6 t-shirts, 3 baseball caps | 240 | **no** | **estimated** |
| 4382448 | 5 ties | 240 | **no** | **estimated** |
| 4363320 | book & series about baseball | 240 | other | part per store |
| 4388862 | 2 Limoges boxes | 240 | **no** | per donor |
| 4369373 | limited edition Renoir print | 240 | **no** | per donor |
| 4373127 | busts of JFK and FDR | 240 | other | per catalog |
| 4383697 | golf jacket, 3 videos, 2 books | 240 | **no** | **estimated** |
| 4408842 | signed glass sphere & signed glass paperweight | 240 | yes | |
| 4407476 | assorted Razorback clothing | 240 | other | per U |
| 4428134 | **3 fleece jackets** | **240** | **no** | **estimated** |
| 4392329 | inscribed framed political cartoon | 240 | yes | |
| 4429948 | 12 bottles of Cabernet Sauvignon | 240 | **no** | **estimated; NA[3]** even though "given when donor & family came to WH for photo op & tour" |
| 4423835 | framed painting, 2 paperback books | 240 | yes | donor is foreign official |
| 4353810 | Tiffany porcelain tea pot, painted tea cozy, etc. | 240 | **no** | **estimated** |
| 4108740 | **leather desk chair** | **240** | **no** | per donor |

| Gift # | Description | Value | If appraised[2] | Comment |
|---|---|---|---|---|
| 4101703 | framed 1920 photo of Eleanor Roosevelt | 240 | yes | |
| 5013481 | 26 CDs set | 240 | **no** | **estimated** |
| 4426114 | 12 pairs of leather shoes | 240 | **no** | **estimated** |
| 4394406 | Ming jewelry: sterling earrings & pendant | 240 | yes | |
| 4394425 | 2 pairs of leather boots | 240 | **no** | |
| 4406621 | 12 signed & numbered prints | 240 | **no** | **estimated** |
| 4421342 | framed signed limited edition lithograph | 240 | **no** | per donor |
| 4367339 | **framed John Quincy Adams signed original land grant from 1826** | **240** | **no** | **estimated** |
| | | 24012 | 48 no's | |

Chart III-A: 26 Examples of Undervalued Fair Trade Gift Items

| Gift # | Description | Clinton Valuation | Correct Valuation | Comment |
|---|---|---|---|---|
| 5037262 | 58" x 36" abstract **Dale Chihuly** signed painting | orig. 31 rev. 2,500 | 5,000 | $5,000 valuation by a prominent NYC art gallery |
| 5024659 | **Ferragamo** coat | 800 | 1,600-2,000 | **Clintons retained** |
| 4428307 | 3 **Amir** silk ties with matching handkerchiefs | orig. 225 rev. 975 | 1,350 | |
| 5012470 | set of men's **Spalding** golf clubs in a canvass bag | orig. 150 rev. 200 | 549-649 | clubs $499 + bag $50-150 - **Clintons retained** |
| 5014049 | large black leather travel bag by **Coach** | 200 | 498-698 | White House estimated - **Clintons retained** |
| 4410313 | **Tiffany** 16" silver link necklace | 150 | 450-1,000 | **Clintons retained** |
| 5037428 | 8" x 4.5" inscribed **Tiffany** glass award | 150 | 400 or 550 | 7 3/4" x 4 5/8" prism = $400; 8 1/2" oval = $550 |
| 4425354 | 2 **Hermes** silk ties, 1 **Ferragamo** silk tie | 270 | 350 | actually 120/ea. Hermes & 110/Ferragamo - **Clintons retained** 1 of the 3 ties |
| 4421913 | **Ferragamo** silk tie & Ferragamo silk scarf | 205 | 310 | White House not appraised or otherwise independently valued - **Clintons retained** |
| 4426586 | 9" silver **Tiffany** shovel | 100 | 300 | White House not appraised or otherwise independently valued - **Clintons retained** |
| 5049126 | **Bulgari** silk scarf | 165 | 275-350 | |
| 4391430 | 4" **Baccarat** blue crystal bird | 120 | 260 | **Clintons retained** |

| Gift # | Description | Clinton Valuation | Correct Valuation | Comment |
|---|---|---|---|---|
| 4424205 | engraved 7" x 8" silver **Tiffany** frame | 40 | 250-375 + engraving | White House not appraised or otherwise independently valued - **Clintons retained** |
| 4357328 | **Steuben** crystal heart | 185 | 245-495 | White House not appraised or otherwise independently valued - **Clintons retained** |
| 5019879 | large wool **J. Crew** winter coat | 89 | 228 | **Clintons retained** |
| 4432384 | 3 **Pendleton**: 44" x 30" wool blanket; 88" x 60" wool blanket; wool mouse pad | 90 | 219.95 or 368.95 | White House estimated - actually 44" x 32" blanket = $45 (there is no 44" x 30"); 80" x 64" blanket = $150 or 88" x 64" blanket = $299; mouse pad = $24.95 - **Clintons retained** |
| 4384416 | 1.5" enamel hinged painted box from **Tiffany** | 120 | 185 | White House not appraised or otherwise independently valued - **Clintons retained** |
| 5049875 | **Waterford** crystal dolphin | 85 | 169 | **Clintons retained** |
| 4353868 | **Gucci** tie | 40 | 125 | White House not appraised or otherwise independently valued - **Clintons retained** |
| 4366350 | **Gucci** tie | 80 | 125 | White House not appraised or otherwise independently valued - **Clintons retained** |
| 4101024 | **Hermes** silk tie | 40 | 120 | White House estimated |
| 4353653 | **Hermes** silk tie | 50 | 120 | White House estimated |
| 4363935 | **Hermes** silk tie | 80 | 120 | White House not appraised or otherwise independently valued - **Clintons retained** |

| Gift # | Description | Clinton Valuation | Correct Valuation | Comment |
|---|---|---|---|---|
| 4360718 | **Hermes** silk tie | 85 | 120 | White House not appraised or otherwise independently valued - **Clintons retained** |
| 4370347 | inscribed **Tiffany** scroll-handled crystal ice bucket | 40 | 80 + engraving | White House estimated |
| 4411877 | 15" x 67" silk scarf from **Metropolitan Museum** | 35 | 78 | White House estimated - actually 18" x 64" (there is no 15" x 67") |
| 26 | | | | |

Chart III-B: 109 **Baccarat, Cartier, Ferragamo, Gucci, Hermes, Steuben, Tiffany and Waterford** Gifts Retained by the Clintons

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 5011863 | 7" **Baccarat** crystal vase | 295 | yes | 295 | |
| 5004128 | **Baccarat** crystal sculpture of a horse's head | 255 | **no** | 255 | part of $295 gift |
| 4410460 | 7" **Baccarat** crystal angel | 210 | other | 220 | |
| 4408239 | 4" **Baccarat** crystal frog | 155 | other | 160 | |
| 4359793 | **Baccarat** crystal bow with yellow tint | 120 | other | ? | |
| 4391430 | 4" **Baccarat** blue crystal bird | 120 | yes | **260** | |
| 4351416 | **Baccarat** heart | 100 | **no** | 110-185 | |
| 4104925 | **Baccarat** crystal heart | 92 | other | 110-185 | |
| 4395326 | **Cartier** gold desk clock in red leather case | 500 | other | 500 | part of $795 gift |
| 4371497 | **Cartier** blue silk scarf with jewelry pattern | 220 | **no** | 240 | |
| 5024659 | **Ferragamo** coat | 800 | yes, est. | **1,600-2,000** | |
| 4421913 | **Ferragamo** silk necktie & Ferragamo silk scarf | 205 | **no** | **310** | $110 tie, $200 scarf |
| 4398462 | 2 **Ferragamo** ties | 190 | other | 220 | $110/each |
| 4412724 | 2 **Ferragamo** ties | 180 | other | 220 | $110/each |
| 5016146 | **Ferragamo** leather tie case | 45 | other | ? | |
| 4367624 | 2 **Gucci** silk ties | 180 | other | **250** | $125/each |

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 5015604 | **Gucci** silk tie | 115 | **no** | 125 | |
| 4366350 | **Gucci** tie | 80 | **no** | 125 | |
| 4353868 | **Gucci** tie | 40 | **no** | 125 | |
| 5005519 | 54" x 72" cashmere **Hermes** throw blanket | 1350 | other | ? | |
| 4361646 | **Hermes** scarf | 225 | other | **250** | |
| 4373477 | **Hermes** silk scarf | 225 | **no** | **250** | |
| 4363171 | 2 **Hermes** ties | 220 | other | 240 | $120/each |
| 4386598 | 2 **Hermes** silk ties | 220 | **no** | 240 | $120/each |
| 4386810 | 2 **Hermes** silk ties | 220 | **no** | 240 | $120/each |
| 5030446 | **Hermes** tie | 220 | **no** | 120 | |
| 4386083 | **Hermes** silk scarf | 200 | **no** | **250** | |
| 4408386 | 34" square **Hermes** silk scarf | 200 | **no** | **250** | 4416720 & 5052287 each $375 35" square Hermes silk scarves |
| 5050556 | **Hermes** tie | 130 | **no** | 120 | |
| 4375087 | **Hermes** tie | 120 | **no** | 120 | |
| 4383976 | **Hermes** tie | 120 | **no** | 120 | |
| 4394331 | **Hermes** tie | 115 | **no** | 120 | |

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 4401899 | **Hermes** silk tie | 115 | **no** | 120 | |
| 4377040 | **Hermes** tie | 110 | **no** | 120 | |
| 4386659 | **Hermes** silk tie | 110 | **no** | 120 | |
| 4395992 | **Hermes** tie | 110 | **no** | 120 | |
| 4401023 | **Hermes** silk tie | 110 | **no** | 120 | |
| 4410815 | **Hermes** silk tie | 110 | **no** | 120 | |
| 4425354 | **Hermes** silk tie | 90 | **no** | 120 | |
| 4360718 | **Hermes** tie | 85 | **no** | 120 | |
| 4363935 | **Hermes** silk tie | 80 | **no** | 120 | |
| 5005918 | **Steuben** crystal hippopotamus | 195 | other | 200 | |
| 4357328 | **Steuben** crystal heart | 185 | **no** | **245-495** | 4355546 Steuben crystal heart sculpture $365 |
| 4367480 | **Steuben** crystal holiday ornaments | 150 | **no** | ? | each $95 |
| 4349597 | 2 engraved 2" x 3" & 1" square sterling silver **Tiffany** frames | 530 | other | 270-295+ engraving | $150-175 larger frame, $120 smaller frame + engraving for both |
| 4419347 | engraved 8" x 10" sterling silver **Tiffany** frame | 350 | other | 300-650+ engraving | |

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 4402884 | small **Tiffany** crystal plaque | 300 | **no** | ? | part of $525 gift |
| 4395326 | gold ring by **Tiffany**'s with sapphires & pearls | 295 | other | ? | part of $795 gift |
| 4359703 | 2 crystal **Tiffany** soccer balls, real soccer ball | 250 | yes, est. | ? | part of $370 gift - Tiffany soccer balls are $60/each |
| 4353810 | porcelain **Tiffany** teapot with lid & tea cozy | 235 | **no** | ? | $175 Tiffany teapot w. lid |
| 4355644 | 4 **Tiffany** crystal cups | 200 | other | ? | |
| 4385849 | box by **Tiffany**'s with Chicago theme | 180 | other | 185 | |
| 4381326 | **Tiffany**'s engraved sterling silver notepad | 152 | other | 165+ engraving | |
| 4363116 | **Tiffany** lapel pin | 150 | **no** | ? | & scarf |
| 4365854 | 2 **Tiffany** porcelain boxes | 150 | **no** | ? | |
| 4388750 | 2 sterling silver **Tiffany** pens with a T & a putter | 150 | other | 185-205 | $90-110 pen w. T, $95 pen w. putter |
| 4398109 | 3 strand of faux pearls with gold **Tiffany** clasp | 150 | **no** | ? | |
| 4408390 | 34" square **Tiffany** scarf | 150 | yes | 185 | |
| 4410313 | **Tiffany** 16" silver link necklace | 150 | other | **450-1,000** | |
| 4399786 | engraved **Tiffany** sterling silver locket key chain | 130 | other | ? | |
| 5053020 | **Tiffany** paperweight | 125 | **no** | ? | |

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 4384416 | 1.5" enamel hinged painted box from **Tiffany** | 120 | **no** | 185 | |
| 4399382 | 4" sterling silver **Tiffany** navigation ruler | 115 | other | 125 | |
| 4350277 | **Tiffany** crystal golf club paperweight | 110 | other | 60 | |
| 4413273 | **Tiffany** crystal plate with Georgetown U logo | 110 | other | ? | |
| 4369341 | 2 **Tiffany** candlestick holders | 100 | **no** | ? | |
| 4378670 | **Tiffany** porcelain bell ornament & sterling silver golf club key ring | 100 | other | 145 | $75 bell ornament, $70 golf key ring |
| 4384114 | 2 **Tiffany** CNN-customized coffee mugs | 100 | **no** | ? | & canvas tote bag |
| 4426586 | 9" silver **Tiffany** shovel | 100 | **no** | **300** | |
| 4408071 | used sterling silver **Tiffany** cigar piercer | 90 | other | 95 | |
| 4363821 | 4 8" **Tiffany** dessert plates of White House scenes | 88 | **no** | ? | |
| 4392884 | **Tiffany** candles | 75 | **no** | ? | & skin silkener, perfume |
| 5015097 | 3" **Tiffany** crystal apple paperweight | 75 | other | 75 | |
| 5019830 | **Tiffany** china box | 75 | other | ? | |
| 5007396 | small **Tiffany** crystal apple | 70 | **no** | 75 | |
| 4410609 | **Tiffany** sterling silver pen | 65 | yes | 60-75 | part of $113 gift |
| 4414335 | **Tiffany** crystal golf ball & playing cards | 65 | **no** | 85 | golf ball $60, cards $20 |

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 4408250 | **Tiffany** pen with gold bow | 60 | other | 65 | |
| 4383061 | 5" **Tiffany** crystal bowl with dolphin edge | 50 | **no** | 35 | actually glass |
| 4388764 | 2.5" **Tiffany** crystal golf ball paperweight | 50 | other | 65 | |
| 4428245 | pair of 1/2" round knot **Tiffany** sterling silver earrings | 50 | **no** | 55 | |
| 4413119 | **Tiffany** dog tag | 40 | **no** | 55-60 | & mug |
| 4424205 | engraved 7" x 8" silver **Tiffany** frame | 40 | **no** | **250-375+** engraving | |
| 5009649 | 13" **Waterford** vase | 495 | other | **550** | |
| 4377925 | 6 **Waterford** crystal goblets | 360 | other | 357-588 | not disclosable because from a relative - $59.50-$98/each |
| 4392220 | 7" **Waterford** crystal golfer<br>5" **Waterford** crystal Capitol Dome | 150<br>98 | yes<br>**no** | **159**<br>**110** | |
| 4388407 | 4 **Waterford** goblets | 220 | other | 238-**392** | $59.50-$98/each |
| 5050506 | 3" **Waterford** engraved hockey puck | 200 | other | 110+ engraving | |
| 4105965 | **Waterford** crystal golf club paperweight | 200 | **no** | 99 | |
| 4378010 | **Waterford** crystal ball, **Waterford** crystal Xmas tree | 160 | yes | 179 | part of $220 gift; $69 ball, $110 Xmas tree |

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 5021135 | **Waterford** crystal Labrador Retriever | 159 | other | 75-169 | |
| 4433123 | **Waterford** crystal paperweight in shape of USA | 150 | **no** | 100 | |
| 4365864 | **Waterford** crystal conch shell paperweight | 135 | yes | 149 | |
| 4371716 | **Waterford** crystal paperweight | 105 | **no** | 69-150 | gift also includes a tie |
| 4112185 | inscribed **Waterford** crystal American flag | 104 | other | 98 | |
| 4410479 | **Waterford** golf club head | 98 | **no** | 99 | |
| 4368725 | **Waterford** crystal top of golf club paperweight | 95 | other | 99 | |
| 4395650 | **Waterford** crystal decanter | 95 | yes | 79 | |
| 4375041 | **Waterford** crystal octagon | 90 | **no** | 99 | |
| 5025211 | 5" **Waterford** crystal harp on a gold plaque | 89 | other | 89+ plaque | |
| 5014535 | 5" **Waterford** crystal statue with Times Square ball carved in back | 89 | other | 110 | |
| 5049875 | **Waterford** crystal dolphin | 85 | other | 169 | |
| 4378914 | **Waterford** crystal posy vase | 85 | yes | 49-65 | |
| 5007291 | small **Waterford** crystal frame | 75 | **no** | 59-110 | |
| 5049083 | 3" **Waterford** Times Square ball ornament | 69 | other | 69 | |
| 4420414 | 3" **Waterford** crystal shamrock dish with saying | 65 | yes | 55 | |

| Gift # | Description | Clinton Valuation | If appraised[1] | Correct Valuation | Comment |
|---|---|---|---|---|---|
| 4367270 | **Waterford** crystal golf ball | 65 | yes | 79 | |
| 4370281 | **Waterford** goblet | 50 | **no** | 59.50-98.00 | part of $205 gift |
| 4426001 | 3" **Waterford** crystal angel ornament | 45 | yes | 45 | |
| 109 | | | 54 no's or 50% no's | 61 under[2] or 69% under (w/o 20 ?s) | |

1. If appraised or if otherwise independently evaluated.
2. "Under" means undervalued by the White House Gifts Office.

Chart III-C: Examples of Probably Undervalued Non-Fair Trade Gift Items

| Gift # | Description | Clinton Valuation | Comment |
|---|---|---|---|
| 4424566<br>4410553 | 2" x 1" gold brooch with various stones<br>18K gold brooch with a pearl | 2,200<br>300 | both designed by Judith Ripka Berk |
| 4391820 | Yves Saint Laurant men's suit | 249 | **Clintons retained** |
| 4396619 | 12 silk ties | 240 | **Clintons retained** |
| 4428134 | 3 fleece jackets | 240 | **Clintons retained** |
| 4108740 | leather desk chair | 240 | **Clintons retained** |
| 4367339 | framed John Quincy Adams signed original land grant from **1826** | 240 | **Clintons retained** |
| 5014727 | 2-piece Liz Claiborne navy pants suit; Liz Claiborne gray blazer | 150 | |
| 5042086 | **1828 & 1823** half dollar coins | 103 | **Clintons retained** |
| 5000468 | boxing glove signed by Joe Frazier | 80 | part of $275 gift |
| 5036663<br><br>5037869<br>5037979<br>4427702<br>5007192<br>5024530<br>5050903<br>4428612<br>5017333<br>4433015<br>5006275 | 2 personalized albums of commemorative stamps issued 7/8 & 7/10/00<br>2 personalized albums w. 7/7 & 7/6/00<br>2 personalized albums w. 7/11 & 7/13/00<br>personalized album with Malcolm X stamps<br>2 personalized albums with stamps<br>personalized album with US navy stamps<br>2 personalized albums w. 10/18 & 10/24/00<br>personalized album with Irish stamps<br>2 personalized albums w. 1/20 & 1/27/00<br>personalized album with aquarium stamps<br>2 personalized albums with stamps | 40<br><br>40<br>40<br>30<br>30<br>30<br>30<br>25<br>18<br>15<br>13 | **Clintons retained all** of these commemorative stamp albums |
| 5014335 | inscribed official NFL game ball used in 11/28/99 Redskins-Eagles football game | 75 | |
| 4433741 | **1815** bronze collector's coin from Great Britain | 22 | **Clintons retained** |
| 5022314 | French coin circa **1793** | 10 | **Clintons retained** |

Chart IV-A: All Gifts in the White House Database from Monica Lewinsky[1]

| Gift # | Date of Gift | Description | Value | Valuation Method | Disposition | Comment |
|---|---|---|---|---|---|---|
| 4376823 | **10/24/95** | matted poem signed by various White House interns | 15 | estimated | in the archives - Presidential library | "Donor is a White House Intern who organized the project" |
| 4377614 | 11/22/95 | tie | 25 | estimated | **President retained** | |
| 4388871 | **8/22/96** | tie | 60 | estimated | **President retained** | "gift is a birthday gift" |
| | | t-shirt saying "White House Intern 1996" | 20 | estimated | in the archives - Presidential library | |

[1]The Independent Counsel's report stated, "By her estimate, [Monica Lewinsky] gave him about 30 items."

Chart IV-B: 30 Examples of "Misplaced" or "Lost" Gift Items

| Gift # | Description | Value | Intended Recipient | Comment |
|---|---|---|---|---|
| 4100183 | 18K gold saxophone pin | 4,200 | President | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4355036 | framed lithograph of man playing a sax | 1,500 | President | "Misplaced by Staff Member, Never Conveyed to the President" - "On loan in the Residence" |
| 4369794 | 7' 3" x 6' 2" Bokharra oriental rug | 1,200 | 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" - "On loan in the Residence" |
| 4382886 | 18K hollow yellow gold bracelet | 1,000 | 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4360252 | 18K gold harp brooch with large pearl | 800 | 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" - "On loan in the Residence" |
| 4367634 | Cartier ink pen & cartridges, Cartier silk scarf, Movado watch | 665 | President, 1st Lady, Chelsea | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4112683 | gold Mont Blanc ballpoint pen in case | 500 | President | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4387617 | gold bracelet with design | 500 | 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" - "Per Counsel it was determined that this item never made it to the 1st Lady" |
| 4398276 | 1 1/2" diameter 45 gram pure gold JFK medallion | 450 | President | "Misplaced by Staff Member, Never Conveyed to the President" - "Misplaced while on loan in the Oval - per Betty Curie memo in files" |

| Gift # | Description | Value | Intended Recipient | Comment |
|---|---|---|---|---|
| 4386888 | 4 polo shirts, polyester jacket, baseball cap, 4 t-shirts, shorts | 438 | 1st Family | "Misplaced by Staff Member, Never Conveyed to the President" - "Forwarded to Capricia Marshall's office per Eric Hothem's request 7-23-96" |
| 4413926 | 2 sculptures of frogs & crocodiles | 400 | President | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4352098 | bottle of 1959 Rothschild wine | 350 | President & 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4406580 | 2 sculptured brooches | 340 | 1st Lady & Chelsea | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4111753 | 15-volume set of books from Random House collection | 317 | President | "Misplaced by Staff Member, Never Conveyed to the President" - "On loan to WH Social Office & several WH Staff members per Nancy Herneich, see file" |
| 5013776 | 8" terra-cotta coin | 300 | President | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4354997 | Parker fountain pen | 275 | 1st Family | "Misplaced by Staff Member, Never Conveyed to the President" - "1st Lady retained per Kelly Craighead - 3/2/94" |
| 4366059 | inscribed Tiffany silver box | 271 | 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" - "On loan in the Residence" |
| 5005084 | 2 pendants, cufflinks | 175 | 1st Family | "Misplaced by Staff Member, Never Conveyed to the President" - "Stolen in Saudia Arabia" |

| Gift # | Description | Value | Intended Recipient | Comment |
|---|---|---|---|---|
| 5009584 | wood carving of Presidential seal & KFOR seal | 150 | President | "Misplaced by Staff Member, Never Conveyed to the President" - "Taken by unknown person from outside room 460 & possibly thrown away" |
| 5031995 | 2 bottles of 1946 Port wine | 80 | President | "Misplaced by Staff Member, Never Conveyed to the President" - "Never sent from the trip [in Europe]" |
| 4387434 | t-shirt | 30 | President | in the Archives - "Gifts orginally [sic] conveyed ... in June 1995, but were lost" |
| 4393346 | 8" x 10" wooden plaque | 25 | President | in the Archives - "Gift was lost ... Replacement given on POTUS trip to New Orleans" |
| 4423146 | inscribed hardcover book | 25 | 1st Lady | in the Archives - "Gift is a replacement of the 1st that was lost" |
| 4369815 | hardcover book | 15 | President | in the Archives - "Apparently the donor's 1st gift was lost" |
| 4372850 | t-shirt | 10 | President | "Donor origianally [sic] sent in an identical gift ... but the gift was misplaced & never made it [to] the gift unit" |
| 4357819 | 1936 US postage stamp | 10 | President | in the Archives - "Stamp was lost in transit to the archives" |
| 4410599 | brass holiday ornament | 5 | President & 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" - "Gift was separated in mail transfer" |
| 4364326 | coin with profiles of Edison & Lincoln | 5 | President | "President to Retain" - "Coin has been misplaced" |

| Gift # | Description | Value | Intended Recipient | Comment |
|---|---|---|---|---|
| 5004833 | brooch | NA | 1st Lady | "Misplaced by Staff Member, Never Conveyed to the President" |
| 4417703 | 5 golf balls | NA | President | rest is $67 gift - "the golf balls, 5 of them or so, we received by the Ambassador, who misplaced them during the trip back" |
| 30 gifts | | $14,036 | | |

Chart V: Some White House Gifts Rulings by White House Counsel: 1993-2000

| Gift # | Description | Value | Date of Gift | White House Counsel Ruling | Comment |
|---|---|---|---|---|---|
| 5054181<br>5054177<br>5054174<br>5052976 | Sharper Image gift certificate<br>Sharper Image gift certificate<br>Sharper Image gift certificate<br>Sharper Image gift certificate | 100<br>100<br>100<br>100 | 1/17/01<br>1/17/01<br>1/17/01<br>12/26/00 | 2/10/93 on $200 gift certificate - "The White House cannot accept money as mail"; 2/25/93 on $25 gift certificate - "Money mail cannot be accepted by the White House"; 3/30/94 & 3/31/94 gift certificates - "Return to Sender - Money Mail" | **President retained** all 4 gift certificates, which were from 4 White House staff members |
| 5050289 | 10 shares of General Electric stock | 500 | 11/30/00 | "counsel suggested that it would be a bad idea to accept" - **returned to sender** 12/8/00 | 15 shares of Coca-Cola stock, valued at $1,027, **retained by Clintons** |
| 4416348 | accommodations at Hilton Head for Renaissance weekend | 500 | 5/5/98 | "Housing is rental housing, not friends home, therefore, must be disclosed" - **retained by Clintons** | |

| Gift # | Description | Value | Date of Gift | White House Counsel Ruling | Comment |
|---|---|---|---|---|---|
| 4409667 | leather-bound photo album with inauguration photos & 71 unframed photos | 1,000 | 12/8/97 | 1/16/98: "this is not reportable per section 2501.(something) as an appropriate memento of an event honoring the reporting individual" - "Counsel has determined that the item is not considered a reportable gift" | **In fact, the records show that the Clintons kept no award valued at $240 or more that was inscribed, i.e., all are in the archives for the Presidential library.** Examples include: a $25,000 Waterford 26" Times Square ball award, a $15,000 Waterford 17" eagle/globe award, & a $2,000 Tiffany 12" crystal shooting star award. |
| 4408375 | book of prints of letters from Dolley Madison, Abigail Adams, Eleanor Roosevelt & Jacqueline Kennedy Onassis | 250 | 11/3/97 | "Counsel has determined that the item is not considered a reportable gift" | |
| 4403932 | framed matted print copied from an 1807 design | 250 | 6/17/97 | "Counsel has determined that the item is not considered a reportable gift" | |
| 4403427 | Grammy nomination medallion | 25 | 6/5/97 | "Gift of little intrinsic value" - "Counsel has determined that the item is not considered a reportable gift" | |

| Gift # | Description | Value | Date of Gift | White House Counsel Ruling | Comment |
|---|---|---|---|---|---|
| 4399206 | Grammy award | 200 | 3/14/97 | "this is considered an award, not a gift, & is not subject to reportability" - "Counsel has determined that the item is not considered a reportable gift" | |
| 4397234 | Lenox crystal bowl, 2 hand-held magnifying glasses | 25,400 | 2/3/97 | "This gift was given at the Inaugural lunch, & the same item was given at the same event in 1993" - "From Govt. agency - approved per counsel" - **retained by Clintons** | see 1993 item below |
| 4383905 | recording [donor is conductor of a symphony orchestra] | 10 | 5/9/96 | "Counsel has determined that the item is not considered a reportable gift" | |
| 4358156 | David Hockney print | 4,500 | 5/16/94 | see memo from Counsel 4/22/94 - "Per Kaki Hockersmith - gift was given prior to 1-20-93" | |
| 4358155 | signed De Kooning lithograph | 2,000 | 5/16/94 | "Counsel has determined that the item is not considered a reportable gift" | |

| Gift # | Description | Value | Date of Gift | White House Counsel Ruling | Comment |
|---|---|---|---|---|---|
| 4357364 | 2 sofas, easy chair, ottoman | 19,900 | 7/20/93 (12/1/00) | see memo from Counsel 4/22/94 - **retained by Clintons** | accepted by NPS for the White House collection then taken by the Clintons; all 4 returned to NPS on 2/7/01 |
| 4357362 | sofa | 2,843 | 7/20/93 (12/1/00) | see memo from Counsel 4/22/94 - **retained by Clintons** | accepted by NPS for the White House collection then taken by the Clintons; returned to NPS on 2/7/01 |
| 4357358 | iron & glass coffee table | 600 | 7/20/93 | see memos from Counsel 4/22/94 & 1/3/00 - "Council has determined that the item is not considered a reportable gift" | accepted by NPS for the White House collection then taken by the Clintons; returned to NPS on 2/7/01 |
| 4357355 | wood dining table, 4 wood & wicker armchairs | 3,650 | 7/20/93 (12/1/00) | see memo from Counsel 4/22/94 - **retained by Clintons** | accepted by NPS for the White House collection then taken by the Clintons; all 5 returned to NPS on 2/7/01 |
| | wicker & wood pedestal | 779 | | "Counsel has determined that the item is not considered a reportable gift" | |

| Gift # | Description | Value | Date of Gift | White House Counsel Ruling | Comment |
|---|---|---|---|---|---|
| 4357353 | 6 table lamps, 1 floor lamp | 1,170 | 7/20/93 (12/1/00) | see memo from Counsel 4/22/94 - **retained by Clintons** | accepted by NPS for the White House collection then 5 of the 7 taken by the Clintons; 3 returned to NPS on 2/7/01, 2 returned to NPS on 2/9/01 |
| 4357342 | wood armoire | 9,600 | 7/20/93 | see memo from Counsel 4/22/94 - "Counsel has determined that the item is not considered a reportable gift" | accepted by NPS for the White House collection then taken by the Clintons; returned to NPS on 2/7/01 |
| 4357335 | walnut coffee table | 4,600 | 7/20/93 | see memo from Counsel 4/22/94 - in the archives | accepted by NPS for the White House collection then taken by the Clintons; returned to NPS on 3/1/01 |
| | gaming table | 3,895 (est.) | | "Counsel has determined that the item is not considered a reportable gift" | accepted by NPS for the White House collection then taken by the Clintons; returned to NPS on 2/7/01 |
| 4357301 | needlepoint style 65"x100" rug | 1,000 | 7/20/93 | see memo from Counsel 4/22/94 - "return to sender" | accepted by NPS for the White House collection then taken by the Clintons; returned to NPS on 2/9/01 |

| Gift # | Description | Value | Date of Gift | White House Counsel Ruling | Comment |
|---|---|---|---|---|---|
| 4106270 | Lenox crystal bowl | 25,350 | 1/25/93 | "presented the [sic] on behalf of the Congress ... Per the Counsel's Office, the donor is a government agency & permissible" - **retained by Clintons** | see 1997 item above |
| multiple | various furniture & furnishings (including fabrics & wallpaper) | ? | | 3/24/93 memo from **Counsel Vince Foster** to Chief Usher: "Donation of Goods for Clinton White House Project" - including 3/18/93 listings | |

Chart VI: Status of 45 Furniture Gifts Valued by the White House at $260 or More (in order of value of gift)

| Gift # & gift date | Description | In 3/24/93 Foster[1] | In 4/24/94 Mills[2] | NPS WH thx[3] | Clin -tons took | Date back to NPS or now location | In & year financial disclosure | Comment |
|---|---|---|---|---|---|---|---|---|
| 4357364<br>7/20/93 | $8750 sofa<br>$8750 sofa<br>$1725 easy chair<br>$ 675 ottoman | **yes**<br>**yes**<br>no<br>no | **yes**<br>**yes**<br>yes<br>yes | yes<br>yes<br>**no**<br>**no** | yes<br>yes<br>yes<br>yes | 2/7/01<br>2/7/01<br>2/7-**Clintons**<br>2/7-**Clintons** | yes - 00<br>yes - 00<br>yes - 00<br>yes - 00 | per Hockersmith; **2 returned to Clintons on 9/21/01** since without NPS letter although in WH 94-99 |
| 4357342<br>7/20/93 | $9600 TV armoire | no | yes | yes | yes | 2/7/01 | **no** | per Hockersmith; "Counsel has determined that the item is not considered a reportable gift"; 1/3/00 Counsel memo says "accepted ... prior to the President's inauguration ... [but] did not arrive in the White House until after" |
| 5054333<br>12/1/00 | $8933: china cabinet & chandelier | no | no | no | yes | Clintons (2) | yes - 00 | per Hockersmith |
| 4357335<br>7/20/93 | $4600 coffee table with inlaid star<br>$3895 gaming table | **yes**<br>no | **yes**<br>yes | yes<br>yes | yes<br>yes | 3/1/01<br>2/7/01 | **NO**<br>**no** | per Hockersmith; gaming table only - "Counsel has determined that the item is not considered a reportable gift"; 1/3/00 Counsel memo says "accepted ... prior to the President's inauguration ... [but] did not arrive in the White House until after" |

| Gift # & gift date | Description | In 3/24/93 Foster[1] | In 4/24/94 Mills[2] | NPS WH thx[3] | Clin -tons took | Date back to NPS or now location | In & year financial disclosure | Comment |
|---|---|---|---|---|---|---|---|---|
| 4407867 9/23/97 | $8000 music cabinet | no | no | yes | no | 4/24/01 from NARA | no | Hockersmith |
| 5054329 12/1/00 | $7375: 2 coffee tables, 2 chairs | no | no | no | yes | Clintons (4) | yes - 00 | per Hockersmith |
| 5054331 12/1/00 | $6750: dining table & server | no | no | no | yes | Clintons (2) | yes - 00 | per Hockersmith |
| 5054334 12/1/00 | $6282: 2 carpets | no | no | no | yes | Clintons (2) | yes - 00 | per Hockersmith |
| 5054335 12/1/00 | $5000 rug | no | no | no | yes | Clintons | yes - 00 | per Hockersmith |
| 4357355 7/20/93 | $3650 dining table & 4 armchairs<br>$ 779 wicker center table | no<br>no | yes<br>yes | yes<br>yes | yes<br>yes | 2/7/01 (5)<br>2/7/01 | yes - 00<br>**no** - 00 | per Hockersmith; wicker table - "Counsel has determined that the item is not considered a reportable gift"; 1/3/00 Counsel memo says "accepted ... prior to the President's inauguration ... [but] did not arrive in the White House until after" |
| 4357362 7/20/93 | $2843 flowered sofa | no | yes | yes | yes | 2/7/01 | yes - 00 | per Hockersmith |
| 5054336 12/1/00 | $2400 8 dining chairs | no | no | no | yes | Clintons (8) | yes - 00 | per Hockersmith |

| Gift # & gift date | Description | In 3/24/93 Foster[1] | In 4/24/94 Mills[2] | NPS WH thx[3] | Clin -tons took | Date [illegible] to NPS or now location | In & year financial disclosure | Comment |
|---|---|---|---|---|---|---|---|---|
| 4357353 7/20/93 | $1170: 6 table lamps & 1 floor lamp | no | yes | yes | yes | 2/7/01 (3); 2/9/01 (2); ? date (2) to NARA then 4/24/01 from NARA | yes - 00 | per Hockersmith; all 7 in WH 93-99 |
| 4384148 12/20/95 | $1088 burgundy leather sofa | no | no | no | yes | Clintons | yes - 99 | per Hockersmith; in WH 96-99 |
| 4357301 4362582 7/20/93 | $1000 needlepoint-style rug | no | yes | yes | yes | 2/9/01 | yes - 00 | WH returned gift to sender then sender resent gift so 2 gift #s; per Hockersmith |
| 4357358 7/20/93 | $ 600 antique iron & glass coffee table | no | yes | yes | yes | 2/7/01 | **no** | per Hockersmith; 1/3/00 Counsel memo says "accepted ... prior to the President's inauguration ... [but] did not arrive in the White House until after" |
| 4371525 10/12/94 | $ 500 contemporary Hitchcock arm chair | no | no | no | yes | Clintons | yes - 94 | |

| Gift # & gift date | Description | In 3/24/93 Foster[1] | In 4/24/94 Mills[2] | NPS WH thx[3] | Clin -tons took | Date back to NPS or now location | In & year financial disclosure | Comment |
|---|---|---|---|---|---|---|---|---|
| TOTAL | $94,365 - 45 items | 3 | 23 | 22 | 44 | | 6 no | |

1. The 3/24/93 memorandum from Deputy Counsel to the President Vincent W. Foster, with two 3/18/93 lists of donations to the White House of items received and of items expected but not yet received (including 4357364/two sofas & 4357335/coffee table), says that "I understand you will coordinate with the National Park Service to assure that these donors receive acknowledgements both from the Executive Residence and from the National Park Service."

2. The 4/22/94 memorandum from Associate Counsel to the President Cheryl Mills says that "The National Park Service initially thought these gifts to the President were to be accepted for the permanent White House collection; it therefore sent thank you letters to each of the donors. Upon discovering that the President had indicated a desire to have these items go to the Clinton Presidential library, the National Park Service elected not to accept these items; therefore, the Park Service never declared these gifts as accepted for the permanent White House collection."

3. A gift becomes U.S. government property upon a thank you letter from the National Park Service to the donor.

145

[1] **The Clintons returned 25 items**, including 2 art prints not included in this table. The Clintons gave 21 back to NPS, 2 of which were returned via NARA. The Clintons gave 2 back to NPS then NPS gave both back to the Clintons. NARA gave 1 back to NPS. **The Clintons took 21 more**, none of which ever appeared in NPS's White House annual inventory.

Chart VII: Total Gifts Disclosed[1] by Presidents George H.W. Bush and William Clinton[2]: 1989-2000

| President | Year | Disclosure Gift Level | Total $ of Gifts Disclosed | Comment |
|---|---|---|---|---|
| Bush | 1989 | 100 | 26,839 | OGE[3] no longer has disclosure report |
| Bush | 1990 | 100 | 22,138 | OGE no longer has disclosure report |
| Bush | 1991 | 100 | 21,329 | OGE no longer has disclosure report |
| Bush | 1992 | 100 | 52,853 | OGE no longer has disclosure report |
| Clinton | 1993 | 250 | 10,775[4] | OGE no longer has disclosure report |
| Clinton | 1994 | 250 | 13,130 | |
| Clinton | 1995 | 250 | 12,240 | |
| Clinton | 1996 | 250 | 15,979 | |
| Clinton | 1997 | 250 | 14,988 | |
| Clinton | 1998 | 250 | 18,575 | |
| Clinton | 1999 | 260 | 23,602 | |
| Clinton | 2000 | 260 | 190,027 | |

[1] The Ethics in Government Act of 1978 was amended in 1991 to raise the reporting level for gifts from $100 to $250, effective January 1, 1993. The reporting level, which is now indexed to gifts received under the Foreign Gifts and Decorations Act, was raised from $250 to $260 effective January 1, 1999.

[2]President Bush received 41,779 gifts in 4 years in office; President Clinton received 94,178 gifts in 8 years in office.

[3]OGE is the Office of Government Ethics.

[4]The 1993 disclosure excludes a $25,350 Lenox crystal bowl. In addition, 25 other gifts over the disclosure level - totaling $37,837 - were not disclosed in President Clinton's 1994-2000 reports.

○