

THE BUSH TEAM

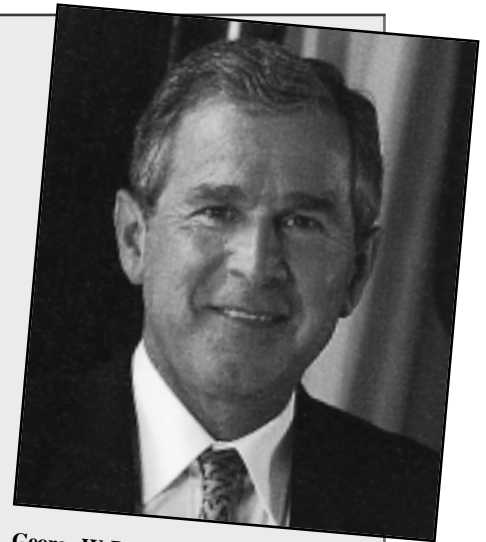
PACKED WITH INDUSTRY INSIDERS

The Bush administration is being top-loaded with industry insiders who are in a position to help their former friends and colleagues, according to *The Public i's* first series of reports on Bush appointees.

The 2001 look at the new administration follows similar work the Center for Public Integrity has done since 1992. That year, the Center disclosed that President George H.W. Bush's deputy campaign manager, James Lake, was a registered foreign agent for the principal owners of the scandal-ridden Bank of Credit and Commerce International, known as BCCI.

In 1996, in its investigation of Bill Clinton and other presidential candidates, the Center revealed that the co-chairman of the Pat Buchanan campaign, Larry Pratt, taught white supremacist groups how to develop militia capabilities. Within hours of the Center's news conference, Buchanan removed Pratt from the campaign.

In 2000, the "Under the Influence" project identified the advisers to each major Democratic and Republican presidential candidate. Summaries of *The Public i's* first reports on the George W. Bush administration begin below. We will continue to profile members of the Bush team throughout 2001.



George W. Bush

TROUBLING SIGN FOR ENVIRONMENTALISTS

Bush's choice for the No. 3 spot at the Department of Energy is Robert G. Card, who until his nomination was CEO and president of a nuclear cleanup contractor that has been penalized more than \$725,000 for numerous worker safety, procurement and other violations since 1996.

Along with recent White House decisions to reverse some Clinton-era environmental measures and the abandonment of Bush's campaign pledge to reduce



Attorney General John Ashcroft, left, shown in May with President Bush and Philadelphia Mayor John Street, took questionable actions as Missouri's attorney general.

carbon dioxide emissions, Card's selection is another troubling sign for many environmentalists. Bush opponents contend that the new administration is filling its ranks mostly with industry-driven people who don't necessarily have the best track records on the environment. While Card headed the Kaiser-Hill Co. — which

holds a \$4 billion contract to clean up and close Rocky Flats, a former nuclear weapons site in Colorado — a DOE manager reprimanded the company for having poor management and a "serious deficiency" in safety performance.

— Josey Ballenger, April 25

EXHAUST-FIRM LOBBYIST

Bush's decision to abandon his campaign pledge to limit carbon dioxide emissions was routed through a key Bush aide who had lobbied for one of the world's largest manufacturers of automobile exhaust systems.

The Bush aide, Nicholas Calio, served as a paid lobbyist and worked extensively from 1996 through 1997 for Tenneco Automotive, based in Lake Forest, Ill. Calio had lobbied on

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DOZEN INTERNS GAINING HANDS-ON EXPERIENCE

By Peter Eisner

Each summer for about 10 weeks, the Center for Public Integrity expands its staff and thereby its reporting capacity with the addition of about one dozen university interns.

The interns, whose backgrounds and interests are quite diverse, usually have a pleasant surprise in store. Since the Center was conceived as a reporting and investigating laboratory, we believe in hands-on experience. We expect them to jump right into the business of gathering information alongside the permanent staff.

We've had interns take lead roles in investigations into campaign finance abuses and state legislative conflicts of interest. Others gain expertise in computer assisted reporting, or in obtaining material under the Freedom Of Information Act. Several interns have graduated to

become full staff members.

We've hosted college interns from around the country and the world ever since the Center was founded in 1990. Our only regret is that restrictions on space and resources make it impossible to welcome more of the hundreds of yearly applicants from around the world.

This year's interns are from Allegheny College, the University of Delaware, American University, Chapman University, St. Mary's College, the University of Pennsylvania, Princeton, Notre Dame, LeMoyne College, Tufts, the University of Maryland and Northwestern.

The remarkable aspect of our 10-week internship program is the energy that our regular staff draws from the influx of new talent. Space is tight, but excitement is in the air. The Center intern sessions include activities and a chance to travel around



Peter Eisner

Washington. There's also a luncheon speaker series, with guests who have included Seymour Hersh, Ralph Nader,

Bob Woodward and Christopher Hitchens.

Interns are paid and receive byline credit for their work during their stay.

We're proud that our supporters enable us to offer these paid positions to help shape the next generation of investigative journalists.

And we're already thinking about next year's group. If you think you'd like to be a part, or know someone else who would, e-mail hire@publicintegrity.org for more information, or write the Center at 910 17th St. NW, 7th floor, Washington, DC 20006, attn. Deb Sherer.

Peter Eisner is managing director of the Center for Public Integrity.

BUSH TEAM: INSIDERS

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Environmental Protection Agency regulations "regarding ozone and particulate matter."

A review of lobbying records conducted by *The Public i* shows that Calio and his partners earned \$420,000 for lobbying on behalf of Tenneco Automotive. Calio is Bush's new legislative affairs director — the White House's top lobbyist to Congress — and held the same job under Bush's father, George H.W. Bush. Calio's top deputy at the White House, Kirsten Ardleigh

Chadwick, was also a registered lobbyist for Tenneco and a partner of Calio at his lobby shop.

— Nathaniel Heller and Asif Ismail, March 30

UNPRECEDENTED AT DOT

Lockheed Martin Corp., the nation's largest defense contractor, could wield substantial political clout in the Bush administration with the appointment of



Lockheed Martin has been one of Norman Mineta's most consistent career patrons.

Transportation Secretary Norman Y. Mineta and his chief deputy, both former executives of the longtime Washington heavyweight.

If Deputy Secretary-nominee

Michael P. Jackson is confirmed, the two would be in a position to

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LOBBYING, OLD-TIME POLITICS BLOCK LEGISLATION ON HUMAN CLONING

By Asif Ismail

In the spring of 1997, scientists at Scotland's Roslin Institute reproduced a sheep using DNA from a single adult sheep cell.

It was a spectacular breakthrough. But the birth of Dolly, the first cloned mammal in history, outraged anti-abortion activists and many bioethicists, and triggered a debate on human cloning.

President Clinton responded promptly to public opinion with an executive order on March 4, 1997, prohibiting the use of federal funds for human cloning. But the presidential action did not affect privately funded research.

Three years after Dolly, there still is no federal legislation to regulate or even supervise human cloning, though some states have acted.

What is perhaps the most complex scientific and moral issue ever faced by Congress has become the object of traditional inside-the-Beltway maneuverings. Campaign contributions, revolving-door politics and old-fashioned lobbying by the biotechnology industry have helped keep any cloning legislation from being enacted.

The Bush administration, meanwhile, has yet to state its position on the issue, though the Republican platform ratified last August praised GOP legislators who introduced bills against human cloning. A week after he was sworn in, President Bush said he was opposed to spending federal money on research on stem cells derived from aborted fetuses. Bush had said during the



PPL THERAPEUTICS PLC

Cloning produced five piglets – Millie, Christa, Alexis, Carrel and Dotcom – born March 5, 2000.

campaign that he was against any research that would destroy human embryos.

Human cloning is the process of creating a human from an embryo after transplanting the nucleus of a person's cell into a woman's egg after replacing the egg's original nucleus. To successfully clone a human being using currently available technology, several embryos are required, and all but one would be destroyed.

OPPOSING FACTIONS LINED UP

Not surprisingly, the fight before Congress on cloning has pitted the biotechnology industry against anti-abortion organizations, several religious groups and some researchers and academics concerned with the moral implications.

"(Biotech) companies want to make sure that no legislation is passed that will hinder the sale of their products," said Sophia

Kolehmainen of the Council for Responsible Genetics, a nonprofit group based in Cambridge, Mass., that advocates "socially responsible" use of new genetic technologies.

But Kolehmainen and other bioethicists say the lack of a legal mechanism to govern cloning prevents mainstream researchers from responsibly tapping into new technologies such as genetic engineering.

For its part, the biotech industry says it is opposed to human cloning, but does not favor legislation, fearing that regulation would restrict research.

The Biotechnology Industry Organization, which represents nearly 850 biotech companies in the United States and 21 other countries, maintains that it is not necessary for Congress to enact legislation because a ban on federal funding is already in place. Human cloning can be prevented if the Food and Drug

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LOCKHEED CONNECTION

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shape policies that could benefit their former employer, which has significant interests before their department.

The two nominations represent the first time since the department's creation in 1966 that the two top officials came from the same company.

On Sept. 11, 1995, Mineta announced that he would resign midterm from Congress to become a vice president at Lockheed Martin. Four days earlier, Mineta, then ranking Democrat on the Transportation and Infrastructure Committee, had cosponsored the National Highway System Designation Act of 1995, a general highway bill that covered a wide range of transportation-related issues.

One provision secured funding for three tollway projects in Orange County, Calif., that

Lockheed Martin would install and manage for the next 30 years. For this, the company would receive \$600 million.

Nine days after announcing his resignation, Mineta voted for the

bill, which passed the House easily, 419-7. Mineta was also appointed to the conference committee that worked to reconcile the House and Senate versions of the bill and served on that committee until he finally left Congress for Lockheed Martin on Oct. 10, 1995.

At the time, Mineta said he saw "nothing there in terms of a conflict of interest," since the bill would have passed without his vote, but he recognized that he might have avoided a conflict of interest by recusing himself. Mineta became vice president and managing director of Transportation Systems and Services at Lockheed Martin IMS, the division that implements, among other things, electronic toll collection systems such as the one in Orange County.

In essence, Mineta was now in charge of the \$600 million, 30-year project that he had helped fund one month earlier in Congress.

— *Brenda R. Mayrack,*
March 23

Jackson was confirmed on May 3.

RICE'S CHEVRON SERVICE

Not everyone in the new Bush administration has an oil tanker bearing his or her name. But not everyone has had Condoleezza Rice's depth of involvement in the oil industry.

The national security adviser inevitably will be confronted with decisions that directly affect the business of her former company. Chevron operates in 25 countries scattered over six continents, dealing in a product — oil — that's been a major factor in U.S. foreign relations for the past 50 years. From containing Iraq in the Middle East to dealing with separatist movements in Southeast Asia to setting African policy, Chevron's interests will come into play at almost every turn.

Chevron christened the *Condoleezza Rice*, a 136,000



1999 FILE PHOTO/STANFORD NEWS SERVICE

"We can't live without oil," says Condoleezza Rice. "And we have to have American oil companies doing it."

deadweight-ton, double-hulled ship, early on in Rice's decade-long stint on the oil giant's board of directors. Rice, a member of Chevron's board since 1991, explained on television's *Fox News Sunday* in August that Chevron had a policy of naming tankers after its directors. "There's also a *George Shultz* and a *David Packard*," she remarked.

That honor is not the only compensation she has received: As a corporate board member, Rice was paid a \$35,000 annual retainer, \$1,500 for each board meeting attended, \$1,500 for each board committee meeting attended, and \$1,500 for each committee meeting chaired, according to Chevron's 2000 proxy statement. She also holds 3,014 shares of Chevron stock, valued at approximately \$241,000, her single largest asset. (According to a news release from the company, Rice has resigned from the board and will sell her stock in the company.)

But it hasn't all been smooth sailing for Chevron abroad. The oil giant has been accused of complicity with the Nigerian military and Mobile Police — a force so brutal it is known locally as the "Kill 'n Go" — in perpetrating human rights abuses, including extrajudiciary killings,



LOCKHEED MARTIN

Michael P. Jackson was a vice president at Lockheed Martin IMS.

beatings and detentions against local communities who have protested Chevron's production activities in Nigeria's delta region.

[Since this report, Chevron renamed the tanker, oil company officials acknowledged in May. "We made the change to eliminate the unnecessary attention caused by the vessel's original name," Chevron spokesman Fred Gorell told the *San Francisco Chronicle*.]

— Erin Bartels, March 23

FCC CHAIRMAN'S TELEPHONE CALL

As the new chairman of the Federal Communications Commission, Michael K. Powell can draw on his experience as an FCC commissioner in trying to navigate the arcane world of telecommunications policy and the closely knit group of high-powered, multibillion dollar companies that dominate the industry.

Powell has had the opportunity to witness and regulate some of the biggest mergers in the history of American industry, as well as to develop regulatory guidelines for cutting-edge technologies, such as broadband Internet access and a new high-speed wireless Internet bandwidth.

But Powell has another experience from which to draw: On-the-job training with one of the biggest players in the game.

According to Powell's personal financial disclosure reports and a company spokesman, one of Powell's major clients at his old law firm of O'Melveny & Myers was GTE Corp., an "incumbent local exchange carrier" that held a

monopoly on local phone service in various communities across the country. GTE merged with Bell Atlantic to form Verizon Communications, now the nation's largest local phone company. FCC spokesman David Fiske told *The Public* that, as an FCC commissioner, Powell never recused himself from matters relating to GTE or Verizon, including the merger that was completed in 2000.

— Nathaniel Heller, Feb. 13

INDUSTRY TILT ON ENVIRONMENT?

The composition of the team that advised George W. Bush on the Environmental Protection Agency during his transition to the presidency signals a new era of a weakening federal role and a bias toward free-market solutions in complying with environmental regulations, say veteran EPA observers.

Just over half of the team comes from companies, industry associations, investment firms or lawyer-lobby shops that routinely represent corporate views on Capitol Hill or in litigation against the agency. The team still holds sway with EPA Administrator Christine Todd Whitman.

The new direction disheartens environmentalists, who prefer strong federal government and regulations, but thrills those who believe the next level of environmental performance lies with market-driven measures.

The 45-member advisory team submitted policy and organizational ideas, identified priorities and made hiring recommendations to the Bush-Cheney transition staff that were forwarded to Whitman in January, said



FILE PHOTO/REUTERS

As president of the American Automobile Manufacturers Association, Andrew Card criticized Japan in a 1997 visit for being slow to open up dealerships to foreign carmakers.

Christopher DeMuth, Bush's chief environmental adviser during the 2000 campaign. And some members will likely get high-level EPA positions themselves.

— Josey Ballenger, Feb. 12

CARD FOUGHT HIGHER STANDARDS

As their top lobbyist, Andrew H. Card Jr. led a \$25 million lobbying campaign on behalf of the "Big Three" U.S. automakers, often fighting against higher environmental standards.

Now, as chief of staff to President Bush, Card may be in a position to steer U.S. policy favorably for his former employers, who contributed generously to Bush's campaign and inaugural committees.

Card represented the interests of Ford, Chrysler and General Motors as president and CEO of the American Automobile Manufacturers Association from 1993 to 1998.

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CHIEF OF STAFF WAS AUTO LOBBYIST

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In 1997, the AAMA joined more than 600 business and industry interests to form the Air Quality Standards Coalition. The coalition sought to block increased Environmental Protection Agency air pollution regulations for low-level ozone and fine particulate matter.

As an AAMA lobbyist, Card opposed the Kyoto Protocol, an international agreement targeting global warming, which called for a 7 percent reduction in U.S. emissions by 2008. As co-chair of the Air Quality Standards Coalition, Card worked against new EPA regulations that would reduce urban smog and soot.

Most recently, Card fought against increased Corporate Average Fuel Efficiency (CAFE) standards, which would increase minimum gas mileage requirements for new vehicles.

— *Brenda R. Mayrack, Feb. 2*

On March 13, Bush announced he opposed the Kyoto agreement.

ASHCROFT USED STATE EMPLOYEE

While he was attorney general of Missouri, John Ashcroft made use of a state employee to conduct fund raising and other election activities, used letterhead with the attorney general's seal to solicit donations from contributors, and had an associate solicit campaign contributions from a business consultant to a company being investigated by Ashcroft's office, court records show.

On Nov. 9, 1982, Ashcroft visited the office of Peter Merrill, president of Merrill Marine Services. During the visit, according to a court affidavit signed by Merrill, an associate of Ashcroft named Rick Freeburg told Merrill that Ashcroft,

who had just stepped out of the room, was planning to run for governor, and "said something to the effect that the three most important things a candidate needs if he wants to be elected are money, more money, and still more money."

Merrill, who said he had never been active in politics, was asked to help Ashcroft. "He indicated that John Ashcroft wanted me to raise \$10,000 by the end of the year" — that is, in the seven weeks left in 1982.

— *Josey Ballenger and Asif Ismail, Jan. 30*



John Ashcroft

KRT

i The Public i

Since opening its doors in downtown Washington in 1990, the Center has served as a mechanism through which important issues are investigated and analyzed by talented, responsible journalists, without the traditional time and space limitations.

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CLONING BILLS BLOCKED

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Administration enforces the existing laws, BIO contends.

The FDA said soon after the birth of Dolly that it had the authority to prevent human cloning. Then-Health and Human Services Secretary Donna Shalala told BIO President Carl Feldbaum in an April 9, 1998, letter that the FDA had jurisdiction over attempts to clone humans and that the agency was prepared to exercise that jurisdiction, according to *BioWorld Today*, an industry magazine.

But some disputed the agency's claim. "FDA viewed the cloning issue from a limited medical, therapeutic perspective, which it is not," said Mike MacDonald, a project coordinator for the International Center for Technology Assessment. "Cloning is a reproductive issue." The mission of his nonprofit organization is to provide the public with unbiased assessments and analyses of the impact of technological breakthroughs on society.

But the Biotechnology Industry Organization says legislation and the resultant restrictions would affect research in many areas unrelated to human cloning. "Cloning is the biotech industry's practice every day. Cloning technology is used all the time. In evaluating the legislation, we make sure that it doesn't disrupt research," Charlie Craig, director of publications at the organization, told *The Public i*.

Anti-human-cloning activists call the industry's stand dubious.

"BIO's official position is they are against reproductive cloning. But by not pushing for a ban, they leave the door open," said Richard Hayes, coordinator of the

San Francisco-based Exploratory Initiative on New Genetic Technologies, whose mission is to publicize the dangers posed by the "indiscriminate" use of genetic technology.

ANTI-CLONING BILLS INTRODUCED

Two competing Senate bills banning human cloning were introduced in February 1998. The Democratic bill, sponsored by Sens. Dianne Feinstein of California and Edward Kennedy of Massachusetts, was introduced on Feb. 2; a Republican one appeared the next day from Sens. Christopher S. Bond of Missouri, Bill Frist of Tennessee and Trent Lott of Mississippi, the majority leader.

The Bond-Frist bill would have prohibited the use of a procedure called somatic cell nuclear transfer for the purpose of human cloning — the technique employed for creating Dolly. Such a procedure involves transferring the nucleus of a somatic cell to an egg from which the nucleus has been removed. Somatic cells become the tissues, organs and other parts of the organism that are not germ cells.

The Feinstein-Kennedy bill, on the other hand, called for an amendment to the Public Health Service Act to prohibit human cloning — meaning cloning that leads to the birth of a child.

LOBBYING DEFEATED ATTEMPTS AT LEGISLATION

That bill died in committee; the GOP bill was defeated on the floor. Anti-cloning activists say the industry never wanted either bill to pass and supported



Dianne Feinstein, D-Calif., co-introduced a competing bill on cloning.

the Democratic version only so far as it ensured that neither bill saw the light.

Lobbying records show that between July 1997 and December 1998, BIO spent more

than \$1.6 million on lobbying. Besides using its own lobbyists, BIO spent an additional \$40,000 with the lobbying firm of Bergner-Bockorny Inc. to help defeat congressional legislation. Also lobbying against the cloning bill was Genentech, known for its powerful ties in Washington. The company's lobbying expenditures during the same period were more than \$1 million.

Richard Doerflinger, associate director for policy development at the Secretariat for Pro-Life Activities of the National Conference of Catholic Bishops, said his organization and other supporters of Bond-Frist were heavily outspent. "We didn't spend much money," he said. "In fact, we'll never be able to spend as much money as the industry."

Today, there seems little chance of cloning bills being passed on Capitol Hill.

Asif Ismail is a writer at the Center for Public Integrity. Nathaniel Heller, also a writer at the Center, contributed to this report.

— Feb. 15



Bill Frist, R-Tenn., wanted to prohibit the technique used for creating Dolly.

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SALUTE TO THE EVERETTS

In this issue, we pay tribute to philanthropists Edith and Henry Everett, whose generous gifts have helped make possible our remarkable summer internship program since 1998.

The Everetts' dedication to supporting internship programs serving the public interest is truly exemplary. In 1989, they established the Everett Public Service Internship Program, which since its inception has placed more than 2,000 undergraduate and graduate students in internship programs in fields from engineering and literature to philosophy and political science. Everett internships enable some of this country's brightest students to acquire significant career development experience, while at the same time giving back by working for the public good in their chosen specialization.

This summer, Everett funds are supporting three Center for Public Integrity interns: Kristen Dorsey, a journalism major at Northwestern University's Medill School of Journalism, working on *The Public i*; Erin McCarthy, a political science major at LeMoyne College in Syracuse, N.Y., assigned to the Center's

ongoing 50 States Project; and Dominic Vote, a junior at St. Mary's College in St. Mary's City, Md., double-majoring in political science and economics. She is working with the Center's senior editor, Bill Allison, on reports and book-length publications. As Charles Lewis said recently, "The Center's internship program is the cornerstone of its education efforts, and Edith and Henry Everett have played a central role in helping us attract first-rate candidates year after year, many of whom have gone on to pursue careers in public service journalism."

If you would like to learn more about supporting the Center's internship program, please call Barbara Schecter, director of development, at (202) 466-1300 or via e-mail at bschect@publicintegrity.org

