

# WITHDRAWAL SHEET

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JGR/PSI (PRIVATE SECTOR INITIATIVES) (6 OF 10)

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|--------|----------|---|-------------|-----------|--------------|-----|
| 1      | MEMO     | JOHN ROBERTS TO FRED FIELDING RE<br>JIM COYNE (PARTIAL)       | 2           | 3/16/1984 | B6           | 735 |
| 2      | MEMO     | FRED FIELDING TO JAMES COYNE RE<br>TRAVEL PROPOSALS (PARTIAL) | 2           | 4/4/1984  | B6           | 736 |

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

THE WHITE HOUSE

WASHINGTON

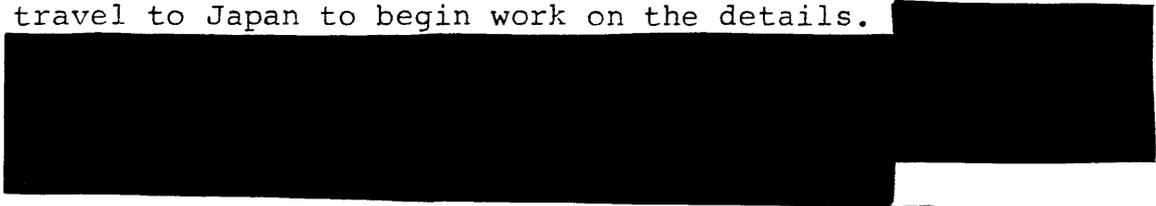
March 16, 1984

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Jim Coyne

Jim Coyne has asked for guidance from our office concerning his plans to travel to Japan with other Private Sector Initiatives staffers and advisory committee members to establish the Ronald Reagan scholarship program. According to Coyne, the President's Advisory Council on Private Sector Initiatives has recommended that a scholarship program be established to promote the education of American students in Japan, and that the program be called the "Reagan Scholarships." Coyne has been actively attempting to implement this decision. The first step, as Coyne sees it, is to travel to Japan to begin work on the details.



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Coyne wants to know if the private sector can provide his travel and that of advisory committee members. If this cannot be done directly, can it be done indirectly, through a 501(c)(3) organization such as the Asian Studies Foundation, on whose board he serves?

I told Coyne that the basic rule was that official travel by Government employees must be paid for by appropriated funds. Any other arrangement presented supplementation of appropriations and/or conflicts problems. Coyne responded that he paid for his official travel to Grenada out of his own pocket.

Reviewing a Coyne proposal is very similar to taking a typical law school torts examination. The fact situation in both instances is filled with countless legal issues and the key is to spot as many as possible. The following occur to me in this case:

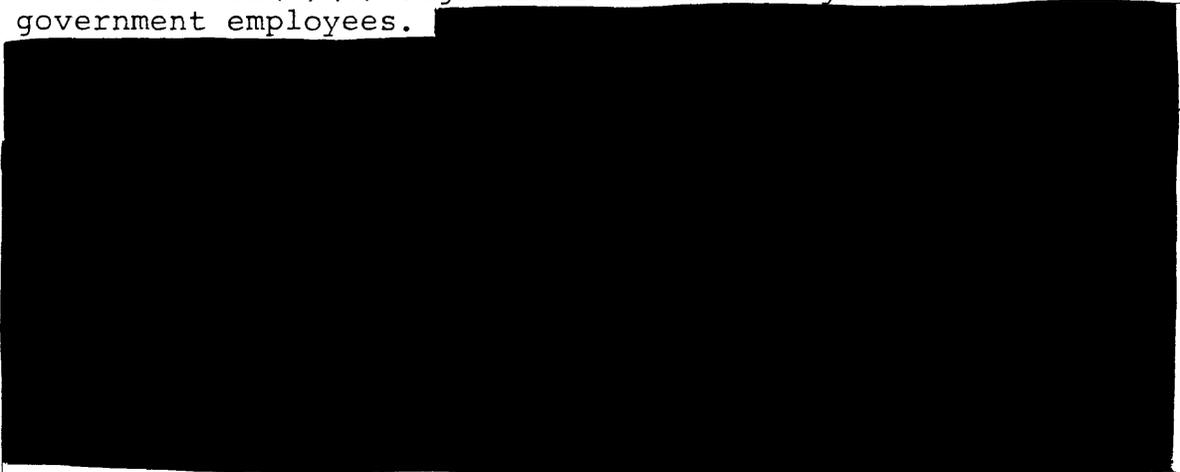
1. Although the project seems fairly well advanced, we cannot approve calling any government-sponsored scholarship program the "Reagan Scholarships." You will recall that we

recently advised Mr. Wick that it would not be appropriate to name a government program -- also a "Reagan Scholarships" proposal -- for an incumbent President; that precedent clearly controls this case.



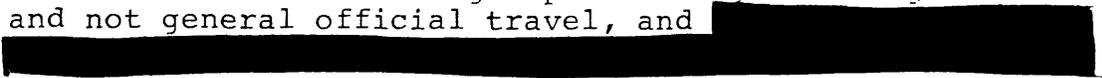
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3. In my view, the private sector cannot pay for Coyne's contemplated activities by funneling donations through a 501(c)(3) organization, even if a willing 501(c)(3) organization without the obvious conflict of having Coyne on its board could be found. The statute authorizing 501(c)(3) organizations to pay travel expenses of Government employees authorizes such payment for expenses "incident to attendance at meetings." 5 U.S.C. § 4111. This provision typically applies when government employees attend a meeting sponsored by the organization in question. I have examined the legislative history of 5 U.S.C. § 4111, and while that history sheds little light on the question I think it safe to say that the provision was not intended to authorize 501(c)(3) organizations to fund general travel by government employees.



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A draft memorandum to Coyne is attached. The memorandum advises Coyne that (1) the contemplated scholarship program cannot be named for the President, (2) his official travel and that of advisory committee members traveling on official business must be paid for out of appropriated funds, (3) a 501(c)(3) organization can reimburse travel expenses only for attendance at meetings sponsored by that organization, and not general official travel, and



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Attachment

THE WHITE HOUSE

WASHINGTON

April 4, 1984

MEMORANDUM FOR JAMES K. COYNE  
SPECIAL ASSISTANT TO THE PRESIDENT  
FOR PRIVATE SECTOR INITIATIVES

FROM: FRED F. FIELDING Orig. signed by FFF  
COUNSEL TO THE PRESIDENT

SUBJECT: "Ronald Reagan Scholarship Program"  
and Related Travel Proposals

You recently raised several questions with this office concerning contemplated travel by you, members of your staff, and members of the President's Advisory Council on Private Sector Initiatives to Japan in connection with the establishment of a scholarship program for United States students to study in Japan. You noted that the program would be known as the "Reagan Scholarships."

As an initial matter I must advise you that it would be inappropriate to name the proposed scholarship program after the President. The White House adheres to a policy of not permitting any government-sponsored or government-endorsed program to be named after the incumbent President, for what I had thought were obvious reasons. Indeed, the White House recently declined a request from another agency to establish a "Reagan Scholarship" program, even though the funds would be provided by private sources. That precedent controls this case.

Travel by you and members of your staff on official business may not be donated by private carriers. The White House Travel Handbook is quite explicit on this point: "Whenever you are traveling on official business of the government, traveling to attend a function, or giving a speech as the representative of the White House, or the Administration, all travel-related expenses must be paid from appropriated funds" (emphasis in original). (The one exception to this rule is discussed infra.) Provision of travel by private carriers would violate rules against supplementation of appropriations, and raise serious conflict of interest concerns in light of the significant regulatory role of the CAB, FAA, and other Federal agencies with respect to the activities of private carriers.

[REDACTED]

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In certain limited circumstances travel expenses may be reimbursed by a 501(c)(3) organization, providing that such reimbursement does not create an actual or apparent conflict of interest. As the White House Travel Handbook makes quite clear, however, such reimbursement "shall never be solicited by a staff member." It is not permissible to inquire of a 501(c)(3) organization concerning the willingness of the organization to pay for official travel. Reimbursement may not be accepted from any organization solicited in violation of this rule.

Furthermore, the statute authorizing payment of official travel expenses by a 501(c)(3) organization does so only for expenses "incident to attendance at meetings." 5 U.S.C. § 4111. The statute does not authorize a 501(c)(3) organization to pay for official travel in general, simply because the organization considers that travel beneficial to its interests. Once again, the White House Travel Handbook is quite explicit: "If you are traveling to attend a training seminar, meeting or conference sponsored by a nonprofit organization granted tax-exempt status under the law (Section 501(c)(3) of the Internal Revenue code), that organization may pay for your normal, reasonable travel expenses under most circumstances unless the acceptance of such expenses creates an actual or apparent conflict of interest with your official duties" (emphasis supplied).

I should note that the rule that official travel must generally be paid for out of appropriated funds prohibits individuals paying for their own official travel.



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I recognize that it is the unique mission of your office to promote private sector charitable activities. As the foregoing demonstrates, however, your official duties and those of your staff cannot be funded by the private sector as if those duties were themselves charitable in nature.

cc: James A. Baker, III  
Assistant to the President  
Chief of Staff  
  
Michael K. Deaver  
Assistant to the President  
Deputy Chief of Staff

FFF:JGR:aea 4/4/84  
bcc: FFFielding  
JGRoberts  
Subj/  
Chron