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MFR

27 July 1978

MEMORANDUM FOR THE RECORD

SUBJECT: Financial Disclosure Legislation

1. In discussions today with Messrs. Ed Kneedler, Office of Legal Counsel at the Department of Justice, and Alan Coffey, Associate Counsel to the House Judiciary Subcommittee on Administrative Law and Governmental Relations, the following information was obtained concerning the status of financial disclosure legislation:

a. The Rules Committee is scheduled to issue a Rule on the legislation on Wednesday, 2 August.

b. The House leadership anticipates floor action on the legislation on Tuesday, 8 August.

c. Regarding paragraph 205(a)(2) of H.R. 1, which concerns the filing of cover reports by intelligence officers, compromise language worked out between the Judiciary and Post Office Committees would retain essentially the same language as in the cited paragraph.

d. On the matter of floor amendments to the legislation that would amend existing House Rules on outside earned income, the Rule probably will allow for only that particular amendment to the House Rule.

e. The Special Prosecutor legislation, which is contained in the Senate financial disclosure bill (S. 555), probably will not be included as part of H.R. 1.

2. The language in paragraph 205(a)(2) of H.R. 1 is acceptable to us in that it allows not only that the financial disclosure reports of intelligence officers under cover shall not be made public, but that individuals who have to file reports in keeping with their cover status may do so. Representative Mazzoli found fault with this particular provision. Earlier this year we had several discussions with Representative Mazzoli and other members of the House Intelligence Committee and with the Congressman's staff. The last such discussions, in mid-April, were inconclusive insofar as determining whether Representative Mazzoli would in fact

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propose a floor amendment to strike the provisions allowing for cover reports. At a meeting with Representative Mazzoli's staff on 13 April 1978, a possible amendment to paragraph 205(a)(2) was left with the staffers (attached at Tab A); this suggestion would make more specific the types of information that would be included in a cover report.

3. We do not know at this point whether Representative Mazzoli still opposes the cover report provisions; perhaps, with the passage of the intervening three months, he will feel under less pressure to follow through with a floor amendment. Mr. Coffey said he would make discreet inquiries to determine whether Representative Mazzoli still intended to introduce a floor amendment.

4. For further background, the following additional tabs are attached:

B. The language of paragraph 205(a)(2) of H.R. 1;

C. Memorandum for the Record dated 13 April 1978;

D. Remarks by Representative Mazzoli appearing in the Congressional Record of 12 April 1978 concerning his opposition to paragraph 205(a)(2) of H.R. 1.

E. Memorandum for the Record dated 11 April 1978

5. I discussed also with Mr. Kneedler the possibility of amending paragraph 205(a)(2) to require that the two intelligence oversight committees be informed annually of all cover reports filed under the authority of that paragraph. We had discussed such an amendment in the course of our deliberations earlier this year and possible language is included at Tab F.

6. We will therefore determine Representative Mazzoli's plans in this area and if necessary discuss the possibility of either narrowing the scope of paragraph 205(a)(2) to be more specific as to the type of information in the cover report, or to include a reporting requirement on the exemptions of the cover reporting authority.

Chief, Legislation Staff
Office of Legislative Counsel

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