



UNITED STATES DEPARTMENT OF JUSTICE

Press Conference

THE HONORABLE JANET RENO, ATTORNEY GENERAL

Thursday, March 19, 1998

9:30 a.m.

P R O C E E D I N G S

(9:30 a.m.)

QUESTION: Good morning.

ATTORNEY GENERAL RENO: Good morning.

QUESTION: Ms. Reno -- (off microphone) -- waiting on rulings from Judge Johnson that might affect the review of Judge Starr's tactics. In the meantime, has the Department done any investigation into the complaints from Representative Conyers, Senator Torricelli and Attorney Ginsberg to date on the allegations of leaks or other allegations about the independent counsel?

ATTORNEY GENERAL RENO: These letters were referred to OPR. And OPR has determined that, at least for the time, we will await Judge Johnson's actions.

QUESTION: So there has been activity other than just waiting for Judge Johnson to act on that?

ATTORNEY GENERAL RENO: It is my understanding that OPR does not want to do anything that might interfere with whatever she determined.

QUESTION: The feeling being what, that the judicial investigation takes priority?

ATTORNEY GENERAL RENO: I think judges generally should be shown some deference, so that the matter is handled in an orderly way. And that is what we are trying to do here.

QUESTION: Ms. Reno, Lockheed Marietta said this week that they were told by the Department that the Department might file something on Tuesday or Wednesday. And then yesterday they were told that they would not be filing. What are the Department's plans on going to court on this merger?

ATTORNEY GENERAL RENO: We have given everybody concerned some more time to try to address the issues. And I expect that this will happen within the next several days.

QUESTION: What will happen?

ATTORNEY GENERAL RENO: I don't know.

QUESTION: (Off microphone) -- until next week, then, possibly?

ATTORNEY GENERAL RENO: It could.

QUESTION: Secretary Cohen, on that matter, said that the negotiations would continue, he thought, until next week. So are you saying that, at the end of that time, if it does not work out, you would file?

ATTORNEY GENERAL RENO: That is correct.

QUESTION: Was this additional time for them to answer specific questions or just to continue talking?

ATTORNEY GENERAL RENO: I would not comment further.

QUESTION: Ms. Reno, given your comment about the deference due Judge Johnson, everything out of there as far as the press and the public is concerned is under seal on this matter of leaks, on everything that has proceeded before the grand jury and then been referred to her for some ruling, we can find nothing about. It shrouds all this in some unusual secrecy. And I wonder if, as Attorney General, you are at all concerned about that?

ATTORNEY GENERAL RENO: I think Judge Johnson should address that?

QUESTION: Yes, but in the same vein -- (off microphone) -- has the Department received any requests from Judge Johnson for investigative help or the U.S. Attorney's Office?

ATTORNEY GENERAL RENO: I would not comment on any matter that is pending before her.

QUESTION: Ms. Reno, why has it taken so long for the Justice Department to coordinate efforts between city, Federal and State authorities on the Birmingham abortion clinic bombing?

ATTORNEY GENERAL RENO: I do not think it has taken -- I am puzzled by your question, because, from the beginning, as matters appeared to be relevant, one to the other, there has been conversation between the public officials in Atlanta, in Birmingham and in North Carolina, to make sure that their efforts are coordinated.

QUESTION: Former General Alexander Levitt, very knowledgeable in nuclear proliferation and terroristic threats thereof, will be in town today to testify to, I believe, Curt Weldon's committee on the Hill. Would his knowledge be of interest to the FBI and the Justice Department, and would you have any desire to meet with him?

ATTORNEY GENERAL RENO: I don't know what he will testify to, so I don't know whether it will be new information that would be of interest. But we would certainly look at it.

QUESTION: Ms. Reno, you had set for tomorrow, I believe, the deadline for reaching some sort of an agreement with the telephone companies before filing an FCC petition. What is the status of those talks? And will you be filing a petition?

ATTORNEY GENERAL RENO: At this point, we are continuing the conversation. I think the matter will ultimately be resolved in the FCC. But we are continuing discussions so that we narrow the issues in every way possible.

QUESTION: Ms. Reno, the Federal Government has been searching for Eric Robert Rudolph for a long time. Is it your feeling that possibly he has fled the country?

ATTORNEY GENERAL RENO: I don't know.

QUESTION: Is that something that -- I mean is that a strong possibility? Is that something that you are looking into?

ATTORNEY GENERAL RENO: I would not comment.

QUESTION: To follow up on your answer about the FCC, does that mean that you are prepared soon to file a petition, or you are going to give the parties more time?

ATTORNEY GENERAL RENO: What we are trying to do is to work with them, in a thoughtful way, to clarify positions, to make sure that our positions are known to them in a clear and unequivocal way. And I think, ultimately, the issues with respect to the capabilities will be decided by the FCC. But I think we are approaching it in a collegial and thoughtful way.

QUESTION: Ms. Reno, the Department and other law enforcement agencies continue to make cases against criminals targeting senior citizens and investment scams. How concerned should the country be about this particular phenomenon?

ATTORNEY GENERAL RENO: I think any scheme that targets the frail, those that are, say, dependent on a fixed income, those that have planned for the rest of their life, barring unforeseen circumstances, and want to be self-sufficient, anybody that preys on them deserves the focus of the criminal justice system. And we have put efforts into telemarketing fraud and into other scams that are focused on the elderly.

It is important for us all, the regulatory agencies, Federal, State and local law enforcement, to work together to prevent it. And I would send the strong message to everyone, if you hear of a deal that seems too good to be true, it is probably not true, and be careful. And if you have questions, call the FBI.

QUESTION: I wonder if we could just go back to the COLEA question. I was confused on one small point. You, in public testimony a few weeks ago, offered a March 13th deadline for going to the FCC. And, subsequently, after meeting with representatives, that was extended to March 20th. Is that still a deadline from the Department's point of view for going to the FCC, or is that date now changed once again?

ATTORNEY GENERAL RENO: It may be extended for a period of time, just so that we make sure that we define the issues as thoughtfully as possible.

QUESTION: Ms. Reno, the mayors of four California cities apparently wrote the administration yesterday on the subject of the cannabis clubs, asking the administration and the Justice Department to drop lawsuits against the marijuana clubs. What is the status of that? And how would you respond to those people? They include Willie Brown and a number of other people.

ATTORNEY GENERAL RENO: We have not responded yet. But our concern is that Federal law makes the use of cannabis, the use of marijuana, illegal. And we have a responsibility for enforcing Federal law. We want to do so in a constructive way. And these actions that have been filed reflect that desire to make clear that we will enforce Federal law and enforce it in a constructive way.

At the same time, if there are people who think that marijuana should be used for medical purposes, then that matter should be addressed in a scientific and medical arena, with appropriate studies. And those studies are underway.

QUESTION: Just to follow up, if I could. A couple of the officials who were making the statements yesterday were apparently suggesting things like if the clubs are closed down, they are afraid they may have to use city workers to distribute marijuana to people who need it medically. Do you regard that as an actual possibility, or is that rhetoric and hyperbole?

ATTORNEY GENERAL RENO: I have not seen the direct language, so I could not comment on that. But, again, the appropriate place to decide these medical issues is through medical and scientific study and not in a give-and-take such as this.

QUESTION: Well, there has been a lot of medical and scientific study over the years. There was an administrative law judge who ruled on this -- I don't know -- I think in the late eighties. When are these latest scientific studies going to be completed? What kind of time line are we looking at?

ATTORNEY GENERAL RENO: I will ask Bert to determine, from the Department of Health and Human Services, when that might be and try to provide you that information.

QUESTION: Ms. Reno -- (off microphone) -- requested that the Justice Department and/or the FBI investigate concerns about privacy being violated. What would be the Department's position on that?

ATTORNEY GENERAL RENO: I have not received any referral of such a matter, so I do not know what we could or could not do.

QUESTION: Has it not reached the Department or has it just not reached your desk?

ATTORNEY GENERAL RENO: It has not reached my desk, and I have not heard that it has reached the Department, but I will ask Bert to clarify that for you.

QUESTION: Ms. Reno, I have a process question, similar to Pierre's, and it is about health care fraud. How big a chore is it for the Justice Department to investigate health care fraud? And do these cases -- is it something that takes an especially long time to investigate, given the paper trail aspect of it?

ATTORNEY GENERAL RENO: It is a complex type of case to investigate. I do not consider it a chore. "Chore" has always struck me as washing the dishes or something like that, something you did not like to do.

These cases are very important cases. They are challenging cases. And they can be -- I think successful prosecution of these cases is critically important to this Nation, and it is one of our priorities. We have attempted to approach it in a number of ways, first of all, through criminal investigates. But then there may be situations where there is not a crime, there is not the intent to commit a crime, but there may be civil remedies that are more appropriate, and that we continue the effort in terms of civil remedies.

I am also trying to do everything I can to analyze -- have a system in place where we analyze the case, after we have secured the conviction and have determined exactly what happened, to see what could have been done to have prevented the crime in the first place. I think the more we can focus on experience and say to the industry, look, if you instituted these checks and balances, if you took these steps, if you worked with us in a self-analysis of what your system is, it is going to save everybody a lot of money and be for the benefit of all concerned.

This effort, I think, is paying off because, since 1992, criminal health care fraud prosecutions and convictions have increased by more than 400 percent. Last year, more than 2,700 individuals and businesses were excluded from Federal health care programs, a 93-percent increase over 1996. Another remedy, a debarment, so that they cannot participate in the business because of what they have done.

In addition, last year we recovered more than \$1 billion in criminal fines, civil settlements and administrative penalties; \$968 million of the funds that was recovered was returned to the Medicare Trust Fund. And that is money that would have gone to con artists. Instead, it will help preserve the Trust Fund and improve health care for millions of Americans.

One of our tools is the False Claims Act that has been a very important tool in our efforts against health care fraud. And the key language is, for purposes of this section, the person must have actual knowledge of the information, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the truth or falsity of the information.

An issue has arisen where some people we are going after them for honest billing mistakes. We are going after them based on this language, the reckless disregard, the deliberate ignorance of the truth. And that just cannot be justified.

There are some efforts underway to perhaps amend this Act. And I think it would be wrong to do so. Because the Act, properly enforced, is a very important tool.

And as I have told the American Hospital Association and others who have expressed concern, we want to work with you to make sure that if it is an honest billing mistake we do not become involved, particularly when you take corrective action and recognize what the mistake was. But if there is a reckless disregard of the truth, if you ignore the information that is available, and deliberately ignore it, then the False Claims Act provides a remedy that should be enforced.

QUESTION: One follow-up question to that. You said that one of the things you have tried to do is get -- when a case is closed, try to find out how it could have been prevented. Have you reached that point with any cases and given such information back to the health care industry?

ATTORNEY GENERAL RENO: I do not think that we have done as much as I would like to have seen done. It is something that comes up on a regular basis. But I think steps are being taken. And I think health care providers are

responding to our urging, as they adopt compliance programs, so that they accept responsibility for policing their own business.

QUESTION: Ms. Reno, I wonder, and I cannot recall, have you stated whether you intend to renominate Bill Lann Lee formerly for the position that he is now holding on an acting basis?

ATTORNEY GENERAL RENO: Let me ask Bert to clarify for you just exactly where we are at.

QUESTION: Back to drugs. Specifically, the Congress yesterday, a joint committee, heard testimony from Don Nelson, I believe -- or Ben Nelson -- with the GAO, who was very critical of the Mexican efforts to stem the drug trade. He said also the U.S. had provided military equipment that was not functioning or was useless for the applications. There was some other criticism from the DEA representative, Mr. Don Marshall, about the fact that the joint task force was not operating yet and that DEA was not sharing intelligence with the Mexicans.

Can you comment on that criticism, as to its accuracy, and what about the impending debate on the certification of Mexico?

ATTORNEY GENERAL RENO: As we have said consistently from the beginning, Mexico has done a great deal. The Mexican Attorney General has worked with us, has pursued extraditions, has developed cases, has been very effective in terms of working with us to ensure that people are brought to justice. But I think he would acknowledge, as we have said, that much, much more needs to be done.

For example, Mexico has enacted a money-laundering statute. And I think more needs to be done with respect to implementing that statute.

We have shared information with some special groups of the Attorney General's Office. And we need to build on that excellent working relationship so that we share on a regular basis, in a spirit of mutual confidence, with others, both along the border and in Mexico generally.

QUESTION: Well, what do you think about the money laundering, what is needed? Is it still possible for drug cartels to launder billions of dollars in the Mexican banking system?

ATTORNEY GENERAL RENO: I think what is needed is for the statute that has been enacted to be implemented. And my understanding is that they are in the process of implementing it now.

QUESTION: Ms. Reno, going back to the Atlanta task force and the Birmingham situation. How concerned are you about the bombings there? And what should we draw from the formation of a coordinating task force?

ATTORNEY GENERAL RENO: I am concerned about any type of bombing like that. I mean, it is a terrible crime. People have been killed. It is important that it be pursued.

When you have crimes such as this, that may be connected, arising in different cities and in different jurisdictions, then it is very important that everybody involved work together to ensure coordination, to ensure that we miss no lead, that nothing falls between the cracks. The Deputy Attorney General has been coordinating the efforts, and I think has been generally pleased with the way people have worked together.

This formalizes this working relationship that has existed, and gives us a basis to proceed with respect to trying to apprehend Mr. Rudolph and trying to determine other leads that should be followed, and then making sure that we follow them in a coordinated way, sharing the information along the way.

QUESTION: Just to follow up on that. You said that it is important when you have crimes that may be connected. That is still the Department's view of this, that there is not a definite connection, but a possibility of one?

ATTORNEY GENERAL RENO: I am not commenting. I just said with respect to crimes that may be connected.

QUESTION: What was the thinking that went behind the decision not to appoint one prosecutor, one lawyer, to be in charge of the whole thing, but rather to leave it to the individual U.S. Attorneys?

ATTORNEY GENERAL RENO: For the time being, that seemed to be the best way to proceed. And the attorneys, the FBI and the Deputy's Office felt very comfortable with that.

QUESTION: Ms. Reno, what is happening with your review of Oregon physician-assisted suicide law?

ATTORNEY GENERAL RENO: I have had now two meetings on it, and I am awaiting some additional information that I requested as a result of those meetings.

QUESTION: Can you give us an idea of how soon you expect to have a decision?

ATTORNEY GENERAL RENO: I hope to have a decision very shortly.

QUESTION: In respect to that decision, the Chief Justice, when he wrote the opinion in -- I believe it was with the Washington case and the New York case -- which said that States have the right to ban doctor-assisted suicide, he also said that this was something that the States would have to debate, and at least implied that there was still many answers to be -- or many questions to be answered in this respect.

Did you take that opinion into consideration when you determine the Department's position on Oregon's law?

ATTORNEY GENERAL RENO: Well, it has been my practice to take the Supreme Court's opinions into consideration when I try to make a legal decision.

(Laughter.)

QUESTION: (Off microphone) -- an opinion is open to interpretation. And are you interpreting that one, in this particular instance, to give -- (off microphone) --

ATTORNEY GENERAL RENO: We certainly are considering the Court's opinions. But I think what the Court was saying there is that this is an emerging that will require thoughtful, careful consideration.

QUESTION: Why isn't it fair to say that what the Supreme Court opinion said, it is up to the States?

ATTORNEY GENERAL RENO: Well, let's see what I decide.

QUESTION: Ms. Reno, the other day there was a hearing on encryption technology. And as you know, the FBI has been pushing for --

ATTORNEY GENERAL RENO: Could you speak up just a little bit louder?

QUESTION: Sure. I guess it was 2 days ago there was a hearing on encryption technology. And the FBI has been pushing for a sort of spare key or a back-door system to any type of encryption encoding on computer systems. But a number of legal scholars have said that violates the first and fourth amendments, along with maybe a few others.

I was wondering how you feel about the spare key issue?

ATTORNEY GENERAL RENO: The spare key issue, as with any issue involving electronic surveillance, will require that the Constitution be complied with, just as we comply with it now when we get a court order, authorizing a wiretap. And it has to be a carefully processed court order.

The same issues would apply. And one of the challenges of this time of exciting new technology is to make sure that the lawyers and the scientists work together to understand the technology and to make sure that the technology, as used, complies with the Constitution.

QUESTION: A question on a headline in the Post today about --

ATTORNEY GENERAL RENO: If you are asking me to comment on headlines, did I ever tell you the story about the headline? The copy boy is sitting at the city desk. Now, I do not know about modern-day newspapers. And then, depending on what their interests are, they fiddle with the headlines.

(Laughter.)

QUESTION: Is that how it is done?

ATTORNEY GENERAL RENO: I am asking you all.

QUESTION: I do not know that. But I am referring to the article projecting a little bit ahead of a select House committee coming to the special prosecutor, Ken Starr, to look at whatever evidence he might have, to then evaluate to see if the judiciary committee in the House would take it up, and the matter of impeachment. And I would just ask, at what point would the Justice Department be made aware of the details that the House members would be briefed on? And would you be briefed?

ATTORNEY GENERAL RENO: You would have to ask the House.

QUESTION: Is that the discretion of the House?

ATTORNEY GENERAL RENO: You might ask them.

QUESTION: As long as we are dealing with material that is in the newspapers, I was curious if you had been reading any of the reporting this week on the release

of archival material from the Mississippi State Sovereignty Commission, and some of the things that are coming out of that, and whether there is anything that is likely to come out of this that would attract your professional attention?

ATTORNEY GENERAL RENO: That is in a stack of newspapers that I have not read yet. So I have not read it. And I have it set aside to look at, hopefully this weekend.

QUESTION: Ms. Reno, last week, the FBI, when we were talking about the National Infrastructure Protection Center, we got into the question of constitutional guarantees in investigations in cyberspace or on the Internet. And Mr. Lee, from the Department, told us that the Department was working on new guidelines in this respect. Are you familiar with this? And do you know if some progress has been made in that area?

ATTORNEY GENERAL RENO: What we are trying to do is, again, make sure that as we look at the new technology we continue to do everything appropriate to protect the constitutional rights of all Americans, that with respect to the initiative of an investigation or searches or other investigative steps, that we use the technology and we pursue those who use the technology in the wrong way, that we do that consistent with the Constitution. And as a result, we have a working group looking at all of these issues.

QUESTION: Are you close to issuing Department guidelines for -- (off microphone) --

ATTORNEY GENERAL RENO: I would not say we are close yet to issuing guidelines.

QUESTION: Along those lines, yesterday it was revealed that a teenage computer hacker from Massachusetts was able to disable the control tower for the Worcester Airport and also disrupt phone service for a neighboring community. What does this say about the vulnerability of the Nation's telephone system to disruptions?

ATTORNEY GENERAL RENO: One of the points that we have raised -- and the reason it is so important that we set up the Information Infrastructure Protection Center, but do more than that -- that we reach out to State and local law enforcement, that we make sure that expertise, technology and equipment are shared across the Nation, that we be prepared, number one, to prevent such intrusions whenever possible and, number two, that we pursue such intrusions.

And then, I think a very important point should be made. Many of these intruders are juveniles. They are really bright. They know their computers. They know how to use them -- far better than I would ever begin to know how to use them. And some of them simply do not understand the difference between right and wrong on that marvelous new tool. And it has got to be made clear that there are consequences for this, that intruding in this way is flat-out wrong, that it violates the law and that there will be appropriate penalties that fit the crime for those who do it.

QUESTION: A personal question to you. Is the health care system in this country, especially the HMO's and those medicaid, medicare and other governmental funding, has it become so restrictive that people, patients, are being turned out of the hospital before they are fully well to be out of the hospital, and put in danger? Has it gone too far, in your personal opinion?

ATTORNEY GENERAL RENO: What I would do is refer you to Donna Shalala, the Secretary of Health and Human Services. Because I can comment on a number of issues where public health and the criminal justice system come together, but that is getting really into the health care system, and I should let the experts comment.

QUESTION: Ms. Reno, if can you design systems to have a back door or key that makes them able to be accessed by law enforcement, would that not inevitably make the systems more vulnerable to teenage hackers?

ATTORNEY GENERAL RENO: It depends on how they were set up. And that is, again, what we have all got to do. I think it is so important for the private sector, for the academic world and for the criminal justice system to work together, to understand how we develop protections, how we ensure privacy.

I think one of our great challenges is how we use this marvelous tool that we have been given while at the same time ensuring privacy of our communications. As we can see, if they can hack into the Federal system, what they can do just to overhear what the average citizen is saying or doing or interested in. There are just extraordinary challenges. But I think we are up to those challenges.

I think it is going to require that we build partnerships with the private sector, that we work with academic experts, to understand how we build technology that is smart, that is private, while at the same time ensuring appropriate law enforcement interests that comply with the Constitution.

QUESTION: If the FBI does not get the encryption spare key, any thought to

bringing in these juvenile hackers?

(Laughter.)

QUESTION: Getting them off the street -- (off microphone) --

ATTORNEY GENERAL RENO: Here is --

(Pause.)

VOICE: No comment.

(Laughter.)

ATTORNEY GENERAL RENO: That is interesting.

What I think -- and we are now engaged in conversation with the industry, recognizing that if industry is a partner, if they have an interest in and if they have participated in the solutions, I think that they will have far more confidence in what the result will be.

Key recovery may not be the solution in every situation. There may be other methods, other technologies, other ideas. And we are engaged in a thoughtful discussion now that I hope will continue for the next 60 days or so, where we say, okay, here is the problem. Your clients are going to want law enforcement to have authority, as it has now, to protect against crime.

All of us, as American citizens, will want the authority that we have now to protect against attacks that threaten the national security. How can we work together to ensure that we have the same access and the same tools with modern technology? I think we can do it.

QUESTION: Given what has happened with COLEA just in the last few weeks and the fact that you engaged in a conversation with industry on an issue that has been kicked around for 4 or 5 years now -- and as I gather from your conversations here, you still expect to have to go to the regulatory body to decide this, basically, in a litigation context rather than a negotiation -- what does that say about the prospects for what you have just outlined, in terms of the encryption issue, which is sort of just -- it is where COLEA was 4 or 5 years ago?

ATTORNEY GENERAL RENO: My whole point to everybody that is involved, both within the Department of Justice, with the private sector and the academic world,

is that we are all in this together. What is at stake is ensuring the appropriate development of technology and ensuring privacy in the use of that technology, where appropriate, and ensuring that public safety interests are protected. I do not think anybody disagrees with those goals.

There had not been the spirit of cooperation and trust initially. And that is the reason I am trying to be involved as much as I possibly can, to make sure that people will sit down. And, yes, maybe we have a disagreement that we cannot bridge, but we have resolved and narrowed the issues as we have gone along. We are learning more from the industry, and they are learning more from us.

And the point that you make is the very point that I stress to people when I say, let's sit down and continue to talk. Let us get the scientists and the lawyer together. Because, too often, it may be somebody up here, like me, who does not understand the technology, and a CEO, who does not understand the law -- if I can get the lawyer, who is the expert in this area, together with the scientist, who is the expert in the area, I think we are going to make real progress. And then the CEO and I can try to implement their ideas.

But critical to all our efforts is the recognition that our information technology is so much more advanced than the rest of the world's. The private sector and the public sector are so interdependent on this information infrastructure.

We are in it together and we are not going to address the concerns that we all have unless we work together, trying to bridge the differences between us, to get to the three common goals: the development of technology that helps America, the development of privacy so that information technology can be used without threatening the right of privacy we hold dear, and, third, that consistent with that, law enforcement still have the tools that it currently has under the law to protect this Nation, its national security and its public safety.

Thank you.

VOICES: Thank you.

(Whereupon, at 10:05 a.m., the press conference was concluded.)