

DEPARTMENT OF JUSTICE

Washington

May 6, 2009

CERTIFICATION OF PUBLIC INTEREST WAIVER FOR LANNY BREUER

FROM: Lee J. Lofthus
Designated Agency Ethics Official, Department of Justice

SUBJECT: Waiver from Restrictions Related to Covington & Burling, LLP in Investigation of Government Attorney Conduct in United States v. Theodore F. Stevens, Crim. No. 08-231 (D.D.C.).

Pursuant to the authority delegated under Section 3 of Executive Order 13490 and for the reasons stated in the attached memorandum and after consultation with the Counsel to the President, I hereby certify that a limited waiver of the restrictions of paragraph 2 of the Ethics Pledge is in the public interest for appointee Lanny A. Breuer in the position of Assistant Attorney General in the Department of Justice. Mr. Breuer shall not be restricted from participating in the investigation into the conduct of government attorneys in United States v. Theodore F. Stevens, Crim. No. 08-231 (D.D.C.), subject to the limitations set forth in the attached memorandum and without waiving the limitation on Mr. Breuer's participation in regulations and contracts as provided in paragraph 2 of the Ethics Pledge. This waiver does not otherwise affect Mr. Breuer's obligation to comply with other provisions of the Ethics Pledge or with all other pre-existing government ethics rules.

Signed _____
Lee J. Lofthus
Designated Agency Ethics Official
Department of Justice

Date 5-6-09



U.S. Department of Justice
Justice Management Division

MAY - 6 2009

Washington, D.C. 20530

MEMORANDUM FOR THE ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION

FROM: Lee J. Lofthus
Assistant Attorney General for Administration and
Designated Agency Ethics Official

SUBJECT: Waiver under E.O. 13490 and Determination under 5 C.F.R. § 2635.502

The purpose of this memorandum is to waive the restriction in Executive Order 13490 of January 21, 2009, Ethics Commitments by Employees in the Executive Branch, and further to make a determination under the standards of conduct on impartiality, 5 C.F.R. § 2635.502, that you may participate in a particular matter in which your former firm represents a party, relating to *In Re: Special Proceedings*, Misc. No. 09-mc-00198 (EGS), which arises from the prosecution of former United States Senator Ted Stevens. The prosecution was conducted by the Public Integrity Section of the Criminal Division.

On April 1, 2009, the Department asked the U.S. District Court for the District of Columbia, Judge Emmet Sullivan, to grant the defendant's motion to dismiss the charges in *U.S. v. Stevens*, the prosecution of former Alaska Senator Ted Stevens. On April 7, 2009, the Court announced that it was appointing a special counsel, Henry Schuelke III, to "investigate and prosecute such criminal contempt proceedings as may be appropriate" against six Department of Justice attorneys who handled the case. The Department's Office of Professional Responsibility (OPR) initiated an investigation into the conduct of the prosecutors when they self-reported the Court's findings of a Brady violation on October 2, 2008. Publicly available documents were gathered but a full investigation was held in abeyance based on OPR's general policy of not proceeding with an investigation during the pendency of active litigation.

You are generally recused from participation in particular matters with parties in which your former firm is or represents a party, under the standards of conduct for employees in the executive branch, 5 CFR 2635.502, and under E.O. 132490. [REDACTED], one of the DOJ attorneys under investigation by OPR, is represented by your former firm, Covington & Burling. Therefore, absent a waiver from the restrictions in the Executive Order and the standards of

conduct, you are recused from participating in the investigation of [REDACTED]¹

In most OPR investigations, counsel for a DOJ attorney would communicate with OPR, but generally not with other DOJ officials. It also usually would not be necessary for the leadership of the Department to be involved in the early stages of an investigation. However, the particular circumstances surrounding these investigations are unusual, and present important issues even at this early stage of the process. As noted, the Court appointed a special counsel to conduct an investigation at the same time the Department's investigation, by OPR, is underway. This is highly unusual and raises jurisdictional issues, and questions concerning the authority of the special counsel and the proper relationship between OPR's investigation and that of the special counsel. These are important questions that affect the Department's institutional interests, are sensitive determinations, and may include questions of first impression. As such, these issues will require resolution by the leadership of the Department, including the Attorney General and the Deputy Attorney General. They will seek and rely on your advice as the Assistant Attorney General for the Criminal Division.

In order for you to advise and assist the leadership, it will be necessary for you to understand and be familiar with the individual investigations of all six Department attorneys, four of whom are employees in the Criminal Division, and all of whom were working under the supervision of the Public Integrity Section during the trial. Given that the six investigations all concern conduct that occurred in prosecuting the same case, it is not feasible or practical for you to remain recused from the investigation of [REDACTED]. This would interfere with your ability to advise and participate in necessary decisions for the Department in connection with the Department's investigations and the special counsel's investigation. In order for you to be fully advised on the issues and facts as they arise, to enable you to advise the AG and the DAG, you must be able to participate and freely receive information and advice on any and all of the individual investigations. Based on advice from the Principal Associate Deputy Attorney General, I conclude that it is not necessary at this time that you meet or communicate with your former firm, should they make such a request. If direct contact by Department officials in the Criminal division is determined to be in the Department's interest, other officials in the division would be available to meet with your former firm.

Executive Order 13490, Ethics Commitments by Employees in the Executive Branch

The Executive Order provides that a political appointee will not, for a period of two years from the date of appointment, participate in any particular matter involving specific parties that is

¹ Decisions with respect to the approval of outside representation for [REDACTED] and the other Department employees are being made by the Civil Division through the standard procedure for these decisions.

Subject: Waiver under E.O. 13490 and Determination under 5 C.F.R. § 2635.502

directly and substantially related to the appointee's former employer or former clients, including regulations and contracts. Sec. 1, paragraph 2. The Executive Order further provides that "particular matter involving specific parties" shall have the same meaning as set forth in the ethics regulations at 5 C.F.R. § 2641.201(h), except that it shall also include "any meeting or other communication relating to the performance of one's official duties with a former employer or former client, unless the communication applies to a particular matter of general applicability and participation in the meeting or other event is open to all interested parties." E.O. 13490, Sec. 2(h).

E.O. 13490 references the following definition provided in the standards of conduct (however, the E.O. specifically includes regulations and contracts):

5 C.F.R. § 2641.201(h)(1): *Particular matter involving a specific party or parties* - (1) *Basic concept.* The prohibition applies only to communications or appearances made in connection with a "particular matter involving a specific party or parties." Although the statute defines "particular matter" broadly to include "any investigation, application, request for a ruling or determination, rulemaking, contract, controversy, claim, charge, accusation, arrest, or judicial or other proceeding," 18 U.S.C. 207(i)(3), only those particular matters that involve a specific party or parties fall within the prohibition of section 207(a)(1). Such a matter typically involves a specific proceeding affecting the legal rights of the parties or an isolatable transaction or related set of transactions between identified parties, such as a specific contract, grant, license, product application, enforcement action, administrative adjudication, or court case.

The E.O. provides for waiver of the recusal provisions by the Director of the Office of Management and Budget (OMB) or his designee, in consultation with the Counsel to the President or his designee. E.O. 13490, Sec. 3(a). The Director, OMB, has designated the Designated Agency Ethics Official (DAEO) of each executive branch agency to exercise the Sec. 3 waiver authority, in writing, and in consultation with the Counsel to the President.

Specific Waiver Request

The *Stevens* prosecution has raised important issues concerning how the Department conducts its operations, including questions of the Department's ability to investigate allegations of misconduct by its own attorneys. These issues have been raised and are being debated in a very public way, and they go to the heart of the Department's ability to achieve its mission of evenhanded enforcement of the law. Given the significant public interest involved in these proceedings, it is important that you be able to exercise your leadership role as the head of Criminal Division and to advise the leadership in these matters.

The standard for waiving the restriction in the E.O. is that it be in the public interest. E.O. 13490, Sec. 3. I believe that it directly serves the public interest that the Department have the

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benefit of your participation in this case, given the institutional interest of the Department, the important legal, policy and strategic considerations, and your responsibilities as chief of the Criminal Division. I certify that it is in the public interest that you be able to participate in the investigation of ██████████ relating to the matter *In Re: Special Proceedings*.

5 C.F.R. § 2635.502

The standard of conduct at 5 C.F.R. § 2635.502 requires an employee to take appropriate steps to avoid an appearance of loss of impartiality in the performance of his official duties. Under Section 502, where an employee knows that a person with whom he has a "covered relationship" is a party or represents a party to the matter, he should not participate in the matter without informing an agency official and receiving authorization to participate. Included in the definition of a "covered relationship" is any person for whom the employee served, within the preceding year, as officer, director, trustee, general partner, agent, attorney, consultant, contractor, or employee. 5 C.F.R. § 2635.502(b)(1)(iv).

You have a covered relationship with your former firm, Covington & Burling. The firm undertook this representation while you were a partner; however, you had no involvement and were screened from the matter during the time you were a partner with the firm. Under the standard, I conclude that a reasonable person would not question the integrity of the Department's programs and operations based on your participation in the investigation of a Department attorney represented in by your former firm, and that should such questions arise, the Department's interest in your participation outweighs any possible concern.

WAIVER: I hereby certify that it is in the public interest for you as Assistant Attorney General for the Criminal division to participate in the investigation of a Department attorney who is represented by your former firm, in connection with *In Re: Special Proceedings*, as discussed above, and pursuant to E.O. 13490 Sec. 3(a), I waive the restriction in Section 1 of E.O. 13490, on participation in a specific party matter that is directly and substantially related to your former employer, Covington & Burling, except that you will not have any direct contact with Covington & Burling. We have consulted with the Office of the Counsel to the President concerning this waiver. Further, I hereby determine, under 5 C.F.R. § 2635.502, that the interest of the Department in your participation in this case outweighs any possible concern that a reasonable person may question the Department's programs and operations.



U.S. Department of Justice
Justice Management Division

Washington, D.C. 20530

CERTIFICATION OF LIMITED PUBLIC INTEREST WAIVER FOR LANNY BREUER

FROM: Lee J. Lofthus
Assistant Attorney General For Administration and
Designated Agency Ethics Official, Department of Justice

SUBJECT: Limited Waiver from Restrictions Related to Covington & Burling, LLP for
Particular Matter Involving Specific Parties

Pursuant to the authority delegated under Section 3 of Executive Order 13490 and for the reasons stated in the attached memorandum and after consultation with the Counsel to the President, I hereby certify that a limited waiver of the restrictions of paragraph 2 of the Ethics Pledge is in the public interest for appointee Lanny A. Breuer in the position of Assistant Attorney General, Criminal Division, in the Department of Justice. Subject to the limitations set forth in the attached memorandum and without waiving the limitation on Mr. Breuer's participation in regulations and contracts as provided in paragraph 2 of the Ethics Pledge, Mr. Breuer will not be restricted from participating in a particular matter involving specific parties ("Matter") in which his former law firm, Covington & Burling LLP, represents a party that retained the firm after Mr. Breuer left the firm, provided that Mr. Breuer does not engage in direct communications with Covington & Burling LLP about the Matter, and that he shall not be the sole final decision-maker for any decisions with respect to the party represented by Covington & Burling LLP. This waiver does not affect Mr. Breuer's obligation to comply with other provisions of the Ethics Pledge or with all other pre-existing government ethics rules.

Signed

Lee J. Lofthus
Assistant Attorney General
For Administration
Designated Agency Ethics Official
Department of Justice

Date

MAY 11, 2010



U.S. Department of Justice
Justice Management Division

MAY 11 2010

Washington, D.C. 20530

MEMORANDUM FOR THE ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION

FROM: Lee J. Lofthus
Assistant Attorney General for Administration and
Designated Agency Ethics Official

SUBJECT: Limited Waiver under E.O. 13490 and Determination under 5 C.F.R. § 2635.502

The purpose of this memorandum is to provide a limited waiver of the restriction in Executive Order 13490 of January 21, 2009, Ethics Commitments by Employees in the Executive Branch, and further to make a determination under the standards of conduct on impartiality, 5 C.F.R. § 2635.502, in order that you may participate in a particular matter involving specific parties being conducted by the Criminal Division ("Matter"), in which your former firm represents a party. This waiver does not authorize you either to engage in communications with your former firm or to act as the sole, final decision-maker with respect to the party represented by Covington & Burling LLP ("Covington").

You are generally recused from participation in particular Matters with parties in which your former employer is or represents a party, under the standards of conduct for employees in the Executive Branch, 5 C.F.R. 2635.502, and under E.O. 13490. A party to the Matter is represented by Covington. Therefore, absent a waiver from the restrictions in the Executive Order and the standards of conduct, you are recused from participating in the Matter.

I authorize you, as Assistant Attorney General for the Criminal Division, to participate in the Matter, subject to the limitations set forth in this memorandum. I find that a limited waiver is in the public interest for the following reasons: the Matter is important to the Department's mission; the basis for the recusal is that Covington was recently retained by a party in the Matter; you left Covington over one year ago (you were appointed on April 21, 2009); the Attorney General is also recused from this Matter; and there is no Senate-confirmed Deputy Attorney General at this time. Without a waiver, a less senior official in the Criminal Division would serve as the acting Assistant Attorney General in this Matter. The waiver does not authorize you to communicate with Covington, nor does it allow you to act as the final decision-maker in any decision involving the party represented by Covington. Any such decisions shall be made jointly with another Department of Justice attorney who does not have any affiliation with Covington.

Executive Order 13490, Ethics Commitments by Employees in the Executive Branch

The Executive Order provides that a political appointee will not, for a period of two years from the date of appointment, participate in any particular matter involving specific parties that are directly and substantially related to the appointee's former employer or former clients, including regulations and contracts. Sec. 1, paragraph 2. The Executive Order further provides that "particular matter involving specific parties" shall have the same meaning as set forth in the ethics regulations at 5 C.F.R. § 2641.201(h), except that it shall also include "any meeting or other communication relating to the performance of one's official duties with a former employer or former client, unless the communication applies to a particular matter of general applicability and participation in the meeting or other event is open to all interested parties." E.O. 13490, Sec. 2(h).

E.O. 13490 references the following definition provided in the standards of conduct (however, the E.O. specifically includes regulations and contracts):

5 C.F.R. § 2641.201(h)(1): *Particular matter involving a specific party or parties* - (1) *Basic concept.* The prohibition applies only to communications or appearances made in connection with a "particular matter involving a specific party or parties." Although the statute defines "particular matter" broadly to include "any investigation, application, request for a ruling or determination, rulemaking, contract, controversy, claim, charge, accusation, arrest, or judicial or other proceeding," 18 U.S.C. 207(i)(3), only those particular matters that involve a specific party or parties fall within the prohibition of section 207(a)(1). Such a matter typically involves a specific proceeding affecting the legal rights of the parties or an isolatable transaction or related set of transactions between identified parties, such as a specific contract, grant, license, product application, enforcement action, administrative adjudication, or court case.

The E.O. provides for waiver of the recusal provisions by the Director of the Office of Management and Budget (OMB) or his designee, in consultation with the Counsel to the President or his designee. E.O. 13490, Sec. 3(a). The Director, OMB, has designated the Designated Agency Ethics Official (DAEO) of each Executive Branch agency to exercise the Sec. 3 waiver authority, in writing, and in consultation with the Counsel to the President.

Specific Waiver Request

The Department has been advised that your former law firm, Covington, represents an individual who is a party in the Matter. Additional information about the Matter could disclose law enforcement information, and is not necessary for purposes of this memorandum. Absent a

waiver from the restrictions in the Executive Order and the standards of conduct, you would be recused broadly from participating in any aspect of the Matter.

The Attorney General, to whom you report, is recused from this Matter for the same reason you are, i.e., the representation of a party by his former firm, Covington. As the head of the Criminal Division, you are the presidential appointee with responsibility for the Matter. If you are recused, a less senior official in the Criminal Division would be designated acting Assistant Attorney General for this Matter, and he or she would report to an acting Deputy Attorney General, without a Senate-confirmed appointee supervising and directing this Matter. I find that it is vital that this Matter have the personal involvement of the Department's permanent confirmed leadership, and that you participate now, when the Department may be called upon to make key decisions concerning the direction of the Matter. In addition, your visible involvement in this case serves an important purpose: to communicate to the public about the Department's enforcement activities.

This waiver is also warranted as a policy matter to guard against the risk that potential parties could choose their counsel based in part on the recusal obligations of Department officials. As noted above, this Matter arose after you left Covington, and the Department was advised in the last several months that the firm had been retained.

5 C.F.R. § 2635.502

The standard of conduct at 5 C.F.R. § 2635.502 requires an employee to take appropriate steps to avoid an appearance of loss of impartiality in the performance of his official duties. Under Section 502, where an employee knows that a person with whom he has a "covered relationship" is a party or represents a party to the matter, he should not participate in the matter without informing an agency official and receiving authorization to participate. Included in the definition of a "covered relationship" is any person for whom the employee served, within the preceding year, as officer, director, trustee, general partner, agent, attorney, consultant, contractor, or employee. 5 C.F.R. § 2635.502(b)(1)(iv).

It has been over one year since you left your former firm, and therefore you no longer have a covered relationship with Covington. However, under the general provisions in 5 C.F.R. § 2635.502(a), and where it is very shortly after the expiration of the one-year period of recusal provided in the regulation, the Department will consider whether participation by an official's former firm in a matter would raise a question regarding the official's impartiality. The most relevant facts are these: you no longer have a covered relationship with your former firm, Covington; the firm's client is not a client to whom you provided services while you were affiliated with Covington; and Covington undertook the representation of the client who is a party in the Matter after you left the firm. Under Section 502's standard, I conclude that a reasonable person would not question the integrity of the Department's programs and operations

based on your participation in the Matter, subject to the limitations set forth in this memorandum, and that should such questions arise, the Department's interest in your participation outweighs any possible concern.

WAIVER: I hereby certify that it is in the public interest for you as Assistant Attorney General for the Criminal Division to participate in the Matter, notwithstanding the fact that a party in the Matter is represented by your former firm, as discussed above. Pursuant to E.O. 13490 Sec. 3(a), I waive the restriction in Section 1 of E.O. 13490, on participation in a specific party matter that is directly and substantially related to Covington, except that you will not have any contact with Covington related to the Matter, and any final decisions with respect to the firm's client in this Matter shall be made jointly with another Department of Justice attorney who does not have any affiliation with the firm. We have consulted with the Office of the Counsel to the President concerning this waiver. Further, I hereby determine, under 5 C.F.R. § 2635.502, that the interest of the Department in your participation in this Matter, subject to the limitations set forth in this memorandum, outweighs any possible concern that a reasonable person may question the Department's programs and operations.