



UNITED STATES DEPARTMENT OF JUSTICE

Press Conference

THE HONORABLE JANET RENO, ATTORNEY GENERAL

Thursday, January 21, 1999

9:28 a.m.

P R O C E E D I N G S

(9:28 a.m.)

QUESTION: Good morning.

VOICES: Good morning.

QUESTION: Ms. Reno, in 1997, the Justice Department was saying essentially that there was no basis, or even authority under Federal law, to sue tobacco companies to recover the cost of smoking-related illnesses. What's changed since then? What interpretation has changed since then? And will that come back to haunt you?

ATTORNEY GENERAL RENO: I think you've kind of broadened the scope.

QUESTION: Did I?

ATTORNEY GENERAL RENO: What the Justice Department was saying in 1997 was saying that with respect to medicaid outlays by the State, there was no independent action by the Federal Government.

QUESTION: So, whatever you said in 1997 did not --

ATTORNEY GENERAL RENO: It did not address the issue that we are pursuing today.

QUESTION: Ms. Reno, in the April 30th testimony before the Senate Judiciary Committee, Senator Kennedy and Senator Durbin I think both asked you questions about this. And both in the preamble to their questions said, why doesn't the Justice Department file its own lawsuit to recover the costs of -- and then they laid out a whole bunch of programs. They said medicaid, which is the subject of the State laws, but they also said medicare and veterans benefits and so forth.

Are you saying now that your answer then was strictly about whether you would join in the State lawsuit?

ATTORNEY GENERAL RENO: That was my response. And I think Senator Kennedy understood it in his follow-up comment. It was not as clear as I would like.

QUESTION: Ms. Reno what I don't understand about the President's announcement the other night about the tobacco suit is why would you tipoff the tobacco industry months in advance before you actually went to court? That seems like a bad move.

ATTORNEY GENERAL RENO: I think that this is a very significant undertaking. It's going to require a great deal of effort. I think in terms of tipping people off, it will happen sooner or later. And we're trying to do it in an organized, thoughtful way.

QUESTION: Will you use outside counsel, such as the Richard Scruggs and the other tobacco plaintiffs' lawyers?

ATTORNEY GENERAL RENO: We would not foreclose that possibility.

QUESTION: Ms. Reno, is the purpose of the Federal lawsuit to try -- what is the underlying reason to file the Federal lawsuit, because you think they've done something wrong or because, as some in the industry are saying, you need the money?

ATTORNEY GENERAL RENO: I have tried to make sure that the judgments that I make are based on the evidence and the law and whether the American people are entitled to recover monies from the tobacco industry, in very much the same way as the States have with respect to medicaid claims.

There have been vast amounts of monies paid out as a result of this issue. And I think we've got to do everything we can, within the law, to try to recover that money if a cause of action exists.

QUESTION: Has the Department decided that there will be some kind of litigation?

ATTORNEY GENERAL RENO: What we have determined is that there are viable grounds for proceeding. We are putting together the task force to do so. And they will make the recommendation as to when and where to file the lawsuit.

QUESTION: And this task force, can you tell us a little bit about how it will be formed and who will be --

ATTORNEY GENERAL RENO: We're in the process of putting it together.

QUESTION: Will it be in the Civil Division solely, or will other divisions have a piece of it?

ATTORNEY GENERAL RENO: If it were appropriate for other divisions to have a piece of it, they would obviously be involved. But what we're trying to do is the Civil Division is taking the lead, to see just how we put together the most effective team possible.

QUESTION: Is Frank Hunger leading the task force?

ATTORNEY GENERAL RENO: Frank Hunger is currently leading the effort to put it together.

QUESTION: Ms. Reno, you said the task force would make recommendations on when and where to file the lawsuits, but not whether. Does that mean that a decision has been made that you will file some kind of litigation?

ATTORNEY GENERAL RENO: I have made the decision, after looking at all the information available, after going through the legal issues that are involved, that we can file a lawsuit. And what we -- one of the things that a good lawyer doesn't do is commit to filing until they have all the evidence and everything put together. But, based on what I know, we would be filing.

QUESTION: Ms. Reno, as we project out, are we talking weeks or months before this might get filed? Do you have any sense of the time frame?

ATTORNEY GENERAL RENO: We would like to do it with all deliberate speed. But one of the things that I've learned in Washington is don't speculate on time.

QUESTION: Can you give us a more detailed breakdown of the damages you expect to be able to collect for, for instance, medicare versus Native American health care programs --

ATTORNEY GENERAL RENO: They are obviously a number of instances with respect to military personnel, with respect to Native American claims, and with respect to medicare. But it would be premature to comment on the exact allocation.

QUESTION: Even anything beyond the hundreds of billions that the President cited, any sort of --

ATTORNEY GENERAL RENO: I think it would be premature. I think what we've got to do is to do this in an orderly way. And we will proceed on that basis.

QUESTION: Ms. Reno, can you tell us a little bit more about the reasoning behind why you came to the conclusion that there are viable grounds to file this suit?

ATTORNEY GENERAL RENO: I obviously don't want to go into a discussion of the legal theories. But as I had indicated, we had hoped that this matter would be resolved through legislation. When the legislation failed to pass, I still felt very, very strongly that we should be able to recover damages, if there was a basis for it. And what we had determined was that there was a causal connection. The issue was, was there a cause of action?

I didn't want to do anything that was knee-jerk or precipitous, and I wanted to do it in an informed way. And we pursued that process.

QUESTION: What do you expect to rely on in pressing your case?

ATTORNEY GENERAL RENO: I would not comment on the legal theories that we would rely on.

QUESTION: Without doing that, can you answer one question, though, about the unique role that the Federal Government is in here as opposed to the States. It's the Federal Government that puts a warning on every cigarette package. It's the Federal Government that sets the law determining that they'll be a subsidy of the tobacco industry.

Isn't the Federal Government, because of its authority over the industry, paradoxically in a diminished case, a diminished capacity to sue? In other words, there are all sorts of things the Federal Government could do.

ATTORNEY GENERAL RENO: You'd make a good lawyer for the tobacco industry. And I do not think the issue should be litigated here.

QUESTION: About how many people do you anticipate will be assigned to the task force?

ATTORNEY GENERAL RENO: We will try to put together a task force that's staffed to meet the needs of a proper investigation and pursue the litigation.

QUESTION: So, you would anticipate that's like four or five lawyers or two dozen?

ATTORNEY GENERAL RENO: It would be what's necessary. I think it would be more than four or five.

QUESTION: Ms. Reno, you were on the floor of the Senate, along with the other members of the Cabinet, Tuesday night for the President's speech. You could hear and feel the reaction from the different sides, from the different parties, seated in the House chamber -- the floor of the House -- and feel the differences in the reaction between the two parties.

Many people are saying publicly that after the Senate impeachment trial ends, if it ever does end, they are going to try to reach for a new bipartisan spirit to really do something. Other people tell us privately that there is a bitterness to the bone over this whole process.

Given your relations with the Republican members of Congress and the sense of what's going on now in Congress, do you see any practical way for the two sides to work together in a bipartisan spirit after this is over?

ATTORNEY GENERAL RENO: I had the distinct feeling -- I wondered what it would be like to walk down that aisle -- and I had the distinct feeling as I walked that there was a spirit of good faith, of goodwill, on my right, which was the Republicans, and clearly on my left. And I was impressed by it. I was impressed by the way the Speaker and the President responded to each other at the beginning.

I just firmly believe that one of the traditions of this Nation is move ahead, address the problems of the future, get together. We are never going to solve them working apart. This Nation is too wonderful, too great, it means too much to us to let it go because of divisiveness. And I think the spirit that was reflected towards me is a spirit that I think will prevail. I think we're going to move ahead

and address the real issues that affect Americans.

QUESTION: Do you think Speaker Hastert would be a key player in any bipartisan reconciliation?

ATTORNEY GENERAL RENO: The little contact that I have had with the Speaker, before he became Speaker, was he has always been very thoughtful and very constructive. And I think that's the position he will take with respect to the issues that we face.

QUESTION: Ms. Reno, on the Salt Lake City Olympics, the IOC is conducting an investigation, the U.S. Olympic Committee, and possibly even Utah now. Why is it necessary for the Justice Department to conduct an investigation?

ATTORNEY GENERAL RENO: We will pursue what is appropriate, but we will try to do it in conjunction with others, so that we don't run into each other.

QUESTION: The IOC Vice President, Dick Pound, in an his investigative report, in a draft, he has called the Justice Department, and I quote, the biggest potential problem. What do you make of his characterization?

ATTORNEY GENERAL RENO: I have no idea.

QUESTION: Why do you think he said something like that?

ATTORNEY GENERAL RENO: I do not know.

QUESTION: Is it possible for these other probes, the various committees' probes, to interfere with what you are trying to do?

ATTORNEY GENERAL RENO: We are very adept at trying to conduct investigations where there are a number of inquiries underway. And we will continue to try to pursue the Justice Department's role without interfering with other entities involved.

QUESTION: Will the Justice Department subpoena IOC members?

ATTORNEY GENERAL RENO: I obviously would not comment. I obviously cannot comment.

QUESTION: Ms. Reno, when you look at the allegations coming out of Salt Lake

City and its potential to impact the Games, at least the American perception and the international perception of the Games, what's some thoughts that you have?

ATTORNEY GENERAL RENO: One of the points that I have seen is, in the past, with matters on a smaller scale than the Olympics, is that in so many instances, and I believe the Olympics to be another, there is so much good, there is so much greatness amongst the athletes. There is so much goodwill and good sport. And it reflects so much of what this world should be about that I think it will prevail no matter what else happens.

QUESTION: Ms. Reno, I came in late and I do not know if you addressed this before, but can you address what led the Department on the tobacco suit decision to become more confident that it has the grounds to proceed against the companies?

ATTORNEY GENERAL RENO: Since you did come in late, I would be happy to spend just a moment with you afterwards so I do not take up your colleagues.

QUESTION: Just one more question on the Olympics if I may. How do you decide when -- you have all these investigations going on -- there are three civilian investigations and now to criminal investigations, the United States investigation and now the State of Utah -- in a situation like this, when do you say, or how do you know when to say, maybe we should just stand back here and let the locals handle it first? What's the overriding Federal issue here?

ATTORNEY GENERAL RENO: I think, first of all, there has to be an understanding of what's involved before with make any decision such as that. And so we do not foreclose something like that, but want to be in a position to make an informed judgment.

QUESTION: As the story is coming out -- you know, you're now reading that this is much broader than Salt Lake City, that this has been going on for a long time, these practices are very common -- would you consider expanding the Justice Department investigation beyond Salt Lake City, even though the IOC itself is now doing a worldwide investigation?

ATTORNEY GENERAL RENO: I would not comment at this point, because we're focused on Salt Lake City.

QUESTION: If people from different countries, like Libya and Sudan, et cetera, are involved, will you issue subpoenas? Do you anticipate doing that?

ATTORNEY GENERAL RENO: I cannot comment.

QUESTION: Ms. Reno, the statute of limitations on some of these potential infractions, would that preclude the Department from going back? For example, looking at Atlanta, which is, what, eight -- they made the bid, I guess, about eight years ago. And I understand the statute of limitation on many of these crimes are five years. Is that generally accurate?

ATTORNEY GENERAL RENO: I would ask Myron to confirm for you afterwards what we can publicly say with respect to particular statutes of limitations.

QUESTION: Are you working with other governments, like the Canadian Government, in looking into this? Have you --

ATTORNEY GENERAL RENO: Again, we would not comment.

QUESTION: Ms. Reno, is it strictly the Fraud Section that you have working on this, or is it the Tax Division, as well, Public Integrity? Can you give us some sense of the scope?

ATTORNEY GENERAL RENO: I would not. I think it comes to the point where, as you know, we don't usually comment on how a matter is being staffed, with specifics.

QUESTION: Does the investigation implicate the Foreign Corrupt Practices Act?

ATTORNEY GENERAL RENO: Again, I would not comment as the investigation proceeds.

QUESTION: Maybe you can try one, question, and I do not know whether you can comment on this or not. But a reading by a potential tobacco lawyer of the Foreign Corrupt Practices Act -- I'm referring to myself here --

(Laughter.)

ATTORNEY GENERAL RENO: I just wondered for a moment where we were.

QUESTION: Just a simple reading of the Foreign Corrupt Practices Act would seem to rule it out here on its face. It says anybody who attempts to influence a foreign government official. And that wouldn't seem to apply to the Olympic Committee. Can you say that the Foreign Corrupt Practices Act doesn't count here?

ATTORNEY GENERAL RENO: What I can say is that when I start commenting on what does apply and what doesn't apply, then you can conclude what doesn't apply and what does apply based on my statements. And so I just prefer not to comment.

QUESTION: And what would be wrong with that?

(Laughter.)

ATTORNEY GENERAL RENO: Well, I would try not to discuss how we're conducting a pending investigation.

QUESTION: Ms. Reno, two issues concerning Director Freeh. The first also concerns James Kopf, who Director Freeh asked the Mexican Government specifically, on his recent trip, to see if they could locate Mr. Kopf.

And, secondly, do you have any comment with regard to the level of cooperation as far as law enforcement between Mexico and the United States? I understand Director Freeh delivered some equipment, some capability, some crime fighting capability to the Mexicans.

ATTORNEY GENERAL RENO: I would let -- I'm not quite sure what your question is.

QUESTION: Well, my question was, do you have any comment with regard to the two fugitives that are missing, Eric Rudolph and James Kopf, who is allegedly in Mexico, and Mr. Freeh asked the Mexicans to help?

ATTORNEY GENERAL RENO: We are trying to pursue all possible leads, to ensure appropriate efforts in that regard. And with respect to Mr. Rudolph, we are doing the same thing.

QUESTION: Okay. And then, Mr. Freeh was down in Mexico City, gave some crime fighting capability to the Mexican Government down there. Were you aware of that?

ATTORNEY GENERAL RENO: Mr. Freeh and I have had discussions. I think he should discuss his visit, so that I do not render any inaccuracies. But he gave me a report yesterday. And I think he found the visit very, very constructive.

QUESTION: And I take it then cooperation is improving between Mexico and the U.S.?

ATTORNEY GENERAL RENO: We have had an excellent working relationship with the Attorney General of Mexico. And we will continue that effort in every way that we can.

QUESTION: Ms. Reno, what is the status of the Department's investigation of Ambassador Holbrooke? Has the Department reached some conclusion?

ATTORNEY GENERAL RENO: That matter is still pending.

QUESTION: Is it civil? It's a civil issue, isn't it?

ATTORNEY GENERAL RENO: I would not comment.

QUESTION: Ms. Reno, with respect to Mr. Kopf, in addition to the possibility of him being in Mexico, isn't it fair to say that the Department is also looking at the possibility he could be other places, as well?

ATTORNEY GENERAL RENO: I would not comment.

QUESTION: Is the Justice Department involved in investigating the alleged threats to the U.S. embassy and consular facilities in India, the alleged threats coming from possibly Mr. Bin Laden?

ATTORNEY GENERAL RENO: I would not comment.

QUESTION: Okay.

ATTORNEY GENERAL RENO: Thank you very much.

VOICES: Thank you very much.

(Whereupon, at 9:47 a.m., the press conference concluded.)