

**Civil Action No. 1:00CV02445**

# **EXHIBIT 1**

Civil Action No. 00-2445 (JR)

**TREATMENT OF MINORITY AND  
LIMITED RESOURCE PRODUCERS  
BY THE U.S. DEPARTMENT OF  
AGRICULTURE**

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**HEARINGS**

BEFORE THE  
SUBCOMMITTEE ON DEPARTMENT OPERATIONS,  
NUTRITION, AND FOREIGN AGRICULTURE  
AND THE  
COMMITTEE ON AGRICULTURE  
COMMITTEE ON AGRICULTURE  
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

MARCH 19, JULY 17, 1997

Serial No. 105-19



Printed for the use of the Committee on Agriculture

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1997

49-245 CC

For sale by the U.S. Government Printing Office  
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402  
ISBN 0-16-055410-1

The CHAIRMAN. Now, Mr. Secretary.

STATEMENT OF HON. DAN GLICKMAN, SECRETARY, U.S.  
DEPARTMENT OF AGRICULTURE

Secretary GLICKMAN. Thank you very much.

First of all, I want to introduce who is with me here. On my right is my partner, the Deputy Secretary, Rich Rominger. And on my left is Pearlle Reed. Pearlle is the head of our Civil Rights Action Team. Pearlle was Associate Chief of the Natural Resources Conservation Service when I asked him to take this job around the first of the year, to begin to focus our attention on civil rights.

So Pearlle is now Acting Assistant Secretary for Administration and he has been our savior coming in and doing his best to clean up a problem that has existed for a very long time. A very difficult problem. One that has caused me, in terms of my personal time as well as attention and focus, more than any other issue the Department of Agriculture, and one that frankly we have barely scratched the surface on. And so it is, this is an important topic.

I served with you for many years, 18 years, I don't think this topic was ever discussed at a formal hearing, so I commend you for having this hearing. Abraham Lincoln called USDA "the people's department," when he created this department in 1862. We are working hard to restore the full lustre of that name.

I'd like in particular to thank those on this committee and elsewhere who have shown a deep, personal commitment to and involvement in the civil rights struggle at USDA. The support of Congress, and in particular, this committee will be crucial to the progress we make. And I would tell you right now, we need your help and your support and your involvement to work through this particular issue.

It was a little over 2 years ago when I appeared before this committee to first talk about my plans for USDA. We talked about wheat and cattle, crop insurance, research, conservation. We talked about Kansas and California, just two States that Mr. Rominger and I care about. We did not focus on civil rights. Quite honestly if there was one ambush awaiting me in this job, that's it.

Today I spend as much, if not more, of my time dealing with civil rights matters as I do any specific farm program. And the reason is simple enough. We have a long history of both discrimination and perceptions of unfairness that go literally back to the middle of the 19th century. For those who look back on the progress made in the 1960s of the historic civil rights laws passed in that time and think we got the job done, I can say just from my experiences at USDA, we do not yet fully practice what we preach.

I've talked to people who have lost their farm. Good people, who lost their family land not because of a bad crop, not because of a flood, but because of the color of their skin. I've talked to employees—dedicated public servants—who have been humiliated, abused and then punished for speaking up. I want to close this chapter of USDA's history. My goal is to get USDA out from under the past and have it emerge in the 21st century as the Federal civil rights leader.

The American farmer and the American people deserve nothing else. I appear before you today proud of the progress we have made

in calling attention to the problem of starting to focus ourselves on solutions and getting key changes quickly in place. But I also appear before you today having undergone a reality check as to the massive amount of time, resources, people, power and leadership, both at USDA and in Congress, that it is going to take to get the job done right.

This is an extraordinarily complicated problem that has taken decades and decades and decades to build to this situation. So we are committed to resolving, but we do need your help as well. I also want to emphasize the overwhelming majority of our employees are committed to treating their co-workers and customers with dignity and respect. The institutional and personnel problems which continue to afflict the Department, should not demean the majority of our committed and capable staff.

By and large, USDA employees are dedicated, fair-minded, overworked and under paid.

Like discrimination in many of America's public and private institutions, civil rights problems at USDA are not going to disappear overnight. If there were easy solutions, I would assure you we would not be sitting here today. But the fact is, there is no silver bullet. We are going to have to get through this the old fashioned way, with our sleeves rolled up and a whole lot of people doing a whole lot of work.

And our efforts are already well underway. As most of you know, it's been 5 months since the release of USDA's Civil Rights Action Team Report. And by the way, that process got started around Christmas, and within a record 60-day time period, it was finished. We had 12 listening sessions around the country to hear from farmers, ranchers, employees, rural residents and community leaders.

Our report listed 92 specific recommendations to improve the civil rights climate at USDA. To carry them out, we have organized 33 implementation teams, involving approximately 300 people, currently employees at USDA. Together they have logged tens of thousands of hours of work. We have a long way to go, but we have started down the road to a solution.

And I want to give you a progress report. Where progress could be made on my authority, we have moved quickly. I have made it a condition of employment, that every employee treat every co-worker and customer fairly and equitably with dignity and respect. No exceptions, no excuses. We have a new foreclosure policy. Now when a written civil rights complaint is lodged, the foreclosure is frozen wherever it is in the process until an independent review occurs and a judgement is made as to whether or not discrimination occurred.

We have a zero tolerance policy for reprisals against employees who file civil rights complaints. From now on, a three person panel made up of one union or an employee representative, one manager or a personnel staff and one mediator will investigate alleged reprisals and make binding recommendations.

I've also ordered that loan processing continue on accounts where a discrimination complaint is pending. Standing up for your rights should not disqualify someone from seeking a farm loan. If it is the loan processor facing the allegations, then another FSA, Farm

Service Agency loan officer will be assigned to work with the applicant. If that loan cannot be approved, they get a meeting and a written letter of explanation. That last part helps clear up the problem and the perceptions.

Without question, part of the problem is economic. Smaller farmers of all ethnic backgrounds and all regions of the country are having an increasingly difficult time coping with the massive changes that are occurring in the structure of the Agriculture. Yesterday I announced the formation of a National Commission on Small Farms.

It will be headed by a former member of this committee, Harold Volkmer of Missouri. His commission will talk to folks around the country and pull together the thread of rural and economic conditions that affect America's small farms, and weave a national strategy to make our small farms as powerful a force in agriculture's future as they have been in the past.

I've asked their report be presented to me by September 30 and I look forward to sharing it with all of you and taking bold steps in that area as well.

Under the economic rubric, we will also propose legislation to modify certain provisions of the 1996 farm bill. We have worked very closely with Congresswoman Clayton and others to provide more flexibility in terms of assisting farmers who rely on USDA for farm operating credit. In my book, the 1996 farm bill went too far in restricting credit, particularly to those farmers who received a debt forgiveness and were denied an opportunity to work their way back to qualifying for assistance. That's even harsher than commercial credit standards and needs to be corrected.

USDA will also soon have an Office of Outreach, which may be the most visible evidence that we are serious about reaching out to customer whom we've neglected in the past. All our potential customers should get the information they need to use our programs and services. We also expect to soon fill the newly created position of Associate General Counsel for Civil Rights. This person will head a staff of attorneys who will be dedicated exclusively to the performance of civil rights functions.

These are just the highlights of what we have done to date, and they accomplish perhaps a third of the recommendations that were made in the report. You should all have a more complete accounting in the package of material that my staff has handed over to this committee. But I mentioned earlier a reality check. Nowhere has it been more abrupt than in our efforts to resolve the backlog of nearly 2,300 civil rights complaints, 1,500 from employees and nearly 800 in our farm and rural development and other programs.

Some of them go back years. This shows the rift between civil rights and civil realities. I don't have to explain to anyone on this committee what's likely to happen to a small farmer who's denied a timely loan. Or the employee who has filed a complaint against his or her boss and then has to wait year after year for closure. I am not proud of our history. I must tell you that. I am not proud of our history, our institutional dedication, or commitment or our internal operations in the past 15 years in resolving these complaints. And that even includes time that I have been in this job.

Our organizational structure and institutional commitment to resolving program and personnel complaints have left a great deal to be desired. And quite frankly, neither past administrations nor past Congresses, including when I was in this body, devoted very much time to this issue at all. I do believe this is the first time in the modern history of Congress, that this committee on either side has held a hearing on this subject. And for that, you should be commended.

Since the Civil Rights Action Team Report, we have focused huge amounts of time and resources on resolving those complaints. We have settled 215 cases of alleged discrimination against employees and closed 89 cases on the program side. Of that 89, four cases involved what I would characterize as significant settlements, adding up to a total, the four cases, of more than \$2 million.

USDA stands ready to resolve quickly and fairly, legitimate civil rights complaints. And I stress the word legitimate, because we have an obligation to taxpayers to ensure the charges are warranted. We cannot simply settle for settlement's sake. We must investigate each charge. This is where we have hit the proverbial brick wall. A good part of the reason for the backlog is the fact that in 1983, USDA Civil Rights Investigation Unit was dismantled. We are just now in the process of hiring back those positions.

Currently, we are using contract investigators to help us sort through the backlog. We expect that a permanent staff will help us break up the logjam, but this will remain a lengthy, arduous process that is likely to take a year to wrap up responsibly. And I should mention, with me is Lloyd Wright who is the new head of our Office of Civil Rights.

Since Mr. Reed came on board, we have virtually an entire new team involved in the administration of these particular matters, and it's his job to break through this backlog and get it done responsibly. Once we get back to ground zero, we are working on ways to move the process along at a quick but fair clip, that allows all parties to move on with their lives.

So I would say that this leads me to perhaps my last issue, and that is the issue of building accountability. We don't just want to fix what's wrong, we want to build an institution that consistently does what's right. That requires building more accountability into the system. In this area in particular, we are going to need to work very closely with this committee. We need to send a strong signal throughout our ranks that USDA is serious about institutionalizing proper civil rights enforcement up and down our ranks.

I've given Mr. Reed the authority to rate agency heads on their civil rights performance. It will no longer be a second tier consideration. We are also working to ensure that our civil rights objectives are incorporated into our performance management system, so that managers know what's expected of them and understand that they will be rated based on how well they live up to those expectations.

Finally, there is the question of the USDA structure which serves agriculture outside of Washington, the field structure. As an 18 year member of this body, from the great agricultural State of Kansas, I am under no delusions as to the political degree of difficulty of any legislative proposal to convert county employees to Federal employees. While this change was suggested in our Civil Rights Re-

port. its origin is almost entirely based on general management concerns.

Our county field structure is far from resembling a Fortune 500 corporation. But as we downsize and streamline and all the rest that we have to do, I think a brief comparison is worthwhile. Right now we operate under two personnel systems in our counties. A system of county-based employees and Federal employees, often in the same offices, all whose salaries are paid for by the Federal Government, Uncle Sam.

It wasn't even until about 10 years ago that I realized that county employees were paid by the taxpayers of the America just as Federal employees were paid by the taxpayers of America. They are all paid by the same people. In the same county office, we find both Federal and non-Federal employees all doing USDA work, side by side, but they do not technically have the same boss.

This is something that you would be hard pressed to find in the private sector, because it is that dreaded management consulting word, inefficient. Now what does that mean? We had a county committee, they are a grass roots connection and bring to the table hands-on farmers' knowledge of how Federal policies actually work. These men and women are like the Board of Directors. They care about the big picture, getting their rural communities and farmers the Federal resources they need. Seeing Federal conservation policies, rural development efforts and farm programs work in their county.

Their role in substantive policy and program matters would not be affected by this shift at all. This proposal will simply take the next logical step. It will recognize all the changes that are occurring. It will close the accountability gap on civil rights and it will create a more efficient and much less costly field structure where everyone does what they do best.

County committees will be free to focus on the big picture, the program picture. And nuts and bolts personnel management will be carried out according to one national standard. Again, all these people are paid by the same people. They are all nationally taxpayer paid people. This will help create a more positive, consistent work environment for our field staff and a higher standard of service for all our customers.

Done right, it will also eventually save us the thousands of hours and millions of dollars we are putting out right now on the damages side of civil rights enforcement. I understand that the nature of a bureaucracy is to resist change. I understand too, that for decades this has been an untouchable issue and probably rightly so for the times. But today I am utterly convinced that we can do this the right way, and I am equally convinced that this is simply the right thing to do.

Our employees out on the front lines of this whole civil rights effort liken their work to trying to turn an elephant around using a pin. We are dealing with a large Federal bureaucracy. One that is scattered across almost every county in this country. We were the first decentralized government in this country. The Agriculture Department was set up and it was—the programs in the thirties were set up basically to run in a decentralized way, with a national set of policies. So we are located everywhere.

We are also dealing with civil rights, which involves laws and policies, but also people's hearts and minds. Some things change faster than others. It is not hard to draw the comparison to the President's "One American Initiative." On the one hand, racially healing is such a vast and squishy issue that few people have any real concrete ideas on where to begin. On the other hand, discrimination runs so completely counter to everything we stand for as a Nation, that the alternative, which is to do nothing, would be unthinkable.

Today President Clinton is talking to the NAACP and the National Association of Black Journalists about our options as a Nation. I am here talking to all of you. I have every confidence that these actions, if embraced by this Congress, will be extraordinarily positive for the Department of Agriculture. We, at USDA, are special in our advocacy for America's farmers and ranchers. These changes will make us even more effective.

We cannot change how every person treats every other person, but we can demand a basic respect for the human rights and dignity of our customers and employees. If we do, we will strengthen the people's Department and dramatically improve our ability to serve agriculture and the Nation.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Glickman appears at the conclusion of the hearing.]

The CHAIRMAN. I thank you, Mr. Secretary, for an excellent statement. Does the Deputy Secretary or Mr. Reed have comments? [No response.]

The CHAIRMAN. Not at this time. And they are available for questions. Thank you. I have several questions, but I would like to send them down to the Department. That will save some time for the rest of the committee members who have been patient to answer some of their questions.

At this point, I recognize Mr. Stenholm of Texas.

Mr. STENHOLM. Mr. Secretary, I know that Mrs. Clayton has developed a bill with a number of provisions stemming from the Civil Rights Action Team Report and I look forward to working with her on that package. But I was wondering when we might be expecting a formal, legislative package with the eight or nine recommendations that now appear to need Congressional action?

Secretary GLICKMAN. Well, we have been working with Congresswoman Clayton, and based upon the early drafts, we support most of the provisions in the bill that we have seen. So it is my expectation that you will probably be hearing our position, as it relates to Congresswoman Clayton's bill.

Let me tell you a little bit. We're going through close-out sessions of the Civil Rights Action Team Report. There were 92 recommendations, many of them involve legislative recommendations. So we have the implementation teams that I have been working with, since this is a grass roots effort and I need to complete that process before I finish a final decision on everyone of the legislative packages.

But working with her, I think that we have reached agreement on most of what she has prepared to date.