

## How the Government Keeps Its Economic Data From Leakers... Like the President?

The monthly jobs numbers are guarded almost as closely as America's nuclear secrets. Here's what it's like to cover them.

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June 01, 2018

“Looking forward to seeing the employment numbers at 8:30 this morning,” President Donald Trump tweeted at 7:21 am.

It seems like an innocuous remark, and really, who's paying attention at that hour anyway? But across the globe, Trump's tweet jolted financial markets into action. The president is among a handful of people who get an advance look at the monthly jobs report, a major measure of the U.S. economy. With that tweet, he seemed to be signaling what was in the report, setting off a freakout among those who know the numbers are strictly under wraps until 8:30 a.m. Eastern.

The tweet also upended decades of efforts by the Department of Labor to keep economic data secret before its scheduled release. I would know. Trump isn't the only person who gets the numbers ahead of time. As a one-time economics reporter, I was among a few dozen journalists who met in a windowless room every month—after going through intense security—to get a first look at how the economy was doing before the information was released into the world.

The process is called a lockup, and with good reason. To join the privileged few who see that data first, reporters must sign an eight-page contract giving up their freedom to move around or even make phone calls for a least a half-hour ever month (exceptions are made, in theory, if someone suffers, say, a heart attack). On the first Friday of every month, just after dawn, we reported to the Labor Department's office in downtown Washington. We went through airport-like security at the main entrance, passing through a metal detector while our gear was X-rayed. Down a side hallway near the agency's day care center, we gathered with other reporters already punchy on caffeine and—nerds to the core—hopped up on adrenaline because, hey, it's jobs day, people.

Everything we carried—cellphones, wallets, calculators, even pens and pencils—was stashed into a bank of lockers generously supplied by taxpayers. When it was time to go into the lockup, I would always make one last bathroom break before handing my locker key to a Labor staffer.

Next, we walked through another metal detector as an armed guard, who rarely smiled and never joked, scrutinized our badges. Then we were ushered into a windowless cinderblock room with rows of government-issued tables and chairs. Low-budget computer monitors lined the walls, and a digital clock ticked down the seconds.

At 8 a.m. on the dot, the lockup officially started: A Labor staffer shut and locked the door, with the armed guard stationed outside. A master switch was flipped—literally—and all digital access to the room and its computers was shut off. We were handed a 39-page paper printout of numbers and text—the jobs report—and given 30 minutes to decipher it. Yes, hard copies.

Using the government's budget desktops and an irritating version of Windows, we typed up our narrative. Were the numbers good or bad? Surprising? Were records set for unemployment, wage growth or hiring? My editor, a former Wall Street trader who attended the lockups so he could fact-check my stuff, sometimes caught mistakes in the government's math, so we always checked that, too. As we furiously typed, a Labor staffer counted the seconds. At 8:30 a.m., the master switch was flipped again, this time connecting our computers to the internet and allowing our stories to fly out of the lockup.

Why the drama? Jobs data, known technically as the non-farm payrolls report, rarely fails to move financial markets. Wall Street spends heavily on economists, analysts and algorithms to predict the monthly number. Presidential campaigns can rise and fall on the strength of hiring and wage growth.

The data is so valuable that people go to great lengths to steal it. In the 1970s, reporters were found to be taking Wall Street kickbacks in exchange for phone calls tipping off brokerages to the data. Since then, the Labor Department has adopted ever-stricter measures to sequester the data to make sure no one has an advantage over anyone else. By 1992, the agency had built a special lockup room, where news outlets installed computers that had to be connected to an on-off switch or unplugged during the lockup.

But still the data seemed to leak. In 2011, Carl Fillichio, then head of public affairs at the Labor Department, got a surprise visit from the Federal Bureau of Investigation. "Five FBI agents show up at my door, literally, and said we need to talk to you," Fillichio recalled in an interview. "They knew there was a problem. They didn't know exactly what the problem was."

Fillichio hired Sandia National Laboratories, guardians of the nation's nuclear secrets, to investigate. Sandia tested the integrity of the lockup room—project CleanSweep—and found the system vulnerable to attack and infiltration. The lab's report was never made public; even the public summary was redacted. In 2012, on Sandia's recommendations, Fillichio ripped out the mess of wires that news agencies had laid into the lockup room and installed government-owned equipment. The press objected. A congressional hearing ensued.

One credentialed outlet, Need To Know News, delivered economic data from the lockup room straight to Wall Street quants, who use algorithms to trade instantly on data. Investigators, suspicious, installed cameras in the lockup room. Need to Know News, then owned by the Deutsche Börse Group stock exchange, was booted from the room.

Fillichio, who served under Presidents Bill Clinton and Barack Obama, lived in fear that the data would keep leaking. "I threw up like clockwork the first Friday of every month.

Violently,” he says. “One one-hundredth of an eye blink makes a difference. It’s impossible to anticipate what the problems are going to be.”

But one thing the safeguards couldn’t defend against was an impetuous president. It took barely an eye blink for Trump to upend a system nearly four decades in the making.

“It’s inexcusable,” says **Bernard Baumohl**, an economist who wrote a seminal book about the power of economic data. “I guess it was beyond his ability to understand why it was wrong in the first place to do it.”

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