

Johnson currently is serving a 46 month prison term and cooperating with a expanded investigation.

8. *Senior Swindlers.* Retired Floridians William and Phyllis Lenahan were convicted of conning workers' compensation and physicians' malpractice insurance for \$3 million. William claimed surgery for a work-related back injury was botched, leaving him totally dependent on his wife. In an investigation initiated and paid for by the surgeon, William was videotaped dancing, among other activities. The two each were sentenced to seven year prison terms and ordered in June to pay \$1.6 million in restitution.

9. *Chiropractic Couple.* A Boston chiropractor, Dr. Alan Rosenthal, and his wife, Caterina, were charged with 36 counts as part of a scheme worth an estimated \$2 million. They allegedly made false or inflated claims, subjected clients to unnecessary tests, required a minimum number of visits, and engaged in other conduct. Dr. Rosenthal and his wife's trial is scheduled for February 13 in federal court.

10. *The Atlanta 57 and Counting.* Georgia officials in September arrested 57 people in two counties on 258 counts of insurance fraud. Included in the arrests were two "major runners" (those who refer patients in staged accidents) and a chiropractor. At least 150 false or inflated claims were filed with 15 insurers and costs more than \$1 million. Officials are continuing the investigation and more arrests are expected.

COMMEMORATION OF THE 97TH ANNIVERSARY OF THE DESTRUCTION OF THE BATTLESHIP U.S.S. "MAINE" AND RECOGNITION OF THE CREATION OF THE U.S.S. BATTLESHIP "MAINE" CENTENNIAL COMMISSION IN KEY WEST, FL

### HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. DEUTSCH. Mr. Speaker, I rise today to ask that my colleagues in the House join me in commemorating the 97th anniversary of the destruction of the battleship U.S.S. *Maine* in Havana Harbor, Cuba, on this day, February 15, 1898.

Today in the city of Key West, FL, a prominent group of citizens has gathered to announce the formation of the U.S.S. Battleship *Maine* Centennial Commission. They are meeting at the historic Key West Custom House where on the second floor a naval court of inquiry convened by President William McKinley met to hear testimony from all the survivors, officers and crew, of the U.S.S. *Maine*, on several occasions in March 1898.

The centennial commission, under the sponsorship of the Key West Art & Historical Society, and Richard Warren, chairman, City Commissioner Joseph Pais, vice chair, and Radm. Ret. Nick Gee, vice chair, wish to call to the attention of all Americans the importance of commemorating the 100th anniversary of this tragic event that destroyed the proud battleship, that killed 260 crew and officers out of 350, and that propelled this great Nation into a war with Spain to the cry of "Remember the *Maine*." This war, the Spanish-American War, that "splendid little war," would lead to the freedom of the Philippines. Puerto Rico, Guam, and the island of Cuba.

Today in Key West, this group of citizens prepares to honor the men of the *Maine* who died without the ability to defend themselves in Havana Harbor on February 15, 1898. They will honor that great steel battleship that had celebrated Christmas of 1897 in Key West Harbor and been ready to sail forth to Cuba on January 24, 1898, to assist, if necessary, Americans in the city on Havana, Cuba. These citizens will proudly remember the *Maine* and all of the great naval vessels that have visited the port of Key West and the near waters. Today they will recall the great Cuban patriots that gathered in Key West throughout the 1890's in the long struggle to cast off the yoke of Spanish tyranny that had laid waste to Cuba. Key West will remember those days in which journalists, war correspondents, Members of Congress, and military leaders strode to the dusty streets following the story that war always unfolds. These were people like Fred-eric Remington, Robley D. Evans, Stephen Crane, Randolph Hearst, Richard Harding Davis, Admirals Sampson and Schley, and Clara Barton of the Red Cross.

Presidents Bill Clinton and Jimmy Carter have, thus far, joined me as honorary members of the U.S.S. *Maine* Centennial Commission. During the next several months the commission will be seeking members from throughout the United States, the great State of Florida, and that little bit of paradise called Key West. I call on all of us here assembled to join Key West and the centennial commission in recognizing their proud efforts. And, together, let us all remember that battleship U.S.S. *Maine* and her crew.

### FACTS CONGRESS SHOULD NOT IGNORE

### HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. JACOBS. Mr. Speaker, when the Congress acts on factual information, it usually does a pretty good job.

Here are some facts which Congress would be ill-advised to ignore.

#### CHARITIES CANNOT FILL THE GAP THAT SUBSTANTIAL CUTS IN FEDERAL FUNDING OF SOCIAL PROGRAMS WOULD CREATE

We, the 116 undersigned organizations, urge you to consider the following facts carefully and fully before taking any actions that would make charitable organizations responsible for filling the gap that substantial cuts in federal funding of social programs would inevitably cause.

Independent Sector is a national coalition founded 15 years ago, comprised of over 800 voluntary organizations, foundations, and corporate-giving offices with national interest and impact in philanthropy and voluntary action.

We are deeply concerned about suggestions, originating in Congress, that charities fund a substantial share of some of the social programs now financed by the Federal government.

While we would welcome additional tax incentives to stimulate private giving, the increase in gifts they would generate—even by the rosiest projections—would do precious little to offset huge cuts being suggested in the funding of social programs.

#### SPENDING BY CHARITIES ON SOCIAL PROGRAMS IS ONLY A FRACTION OF GOVERNMENT SPENDING

Government spending on social welfare programs at the federal, state, and local levels totals about \$950 billion a year. Charities as a whole—excluding only churches—spend approximately three-eighths the sum of government outlays: about \$360 billion.

Since the 1960s, charities and government agencies have often worked as partners in addressing critical social needs. In fact, charities receive roughly 30 percent of their revenues—about \$105 billion—from government sources.

If governments were suddenly to stop their funding of social programs through nonprofit charities, the \$105 billion cutback would amount to less than one-eighth of total government spending of \$950 billion. But if the charities as a result were forced to cut their budgets by \$105 billion, it would amount to a drastic nearly one-third reduction in their spending.

Alongside the 30 percent of total revenues that charities receive from government, they receive only 22 percent—about \$80 billion—from private contributions. To offset the loss of all their government funding, the charities would have to increase private gifts to 230 percent of present levels. To offset the loss of half their government funding—\$52 billion—they would have to increase giving to 165 percent of present levels.

Assuming that government agencies slashed their budgets for direct funding of social programs as well as their \$105 billion of indirect funding through charities, the charities would be further burdened in trying to aid former recipients of those direct government services.

#### CHARITIES WILL NOT BE ABLE TO REPLACE LOST FEDERAL REVENUE AND MEET NEW NEEDS

As for increasing private giving through tax incentives, one major proposal—to restore the charitable deduction for non-itemizing taxpayers—is expected to increase individuals giving by only about \$3 billion a year, or less than 5 percent.

Recent trends in charitable giving offer little basis for optimism. Government reports tell us that individual giving from 1963 to 1993 rose an average 2.4 percent, or \$2.6 billion, a year after inflation. But between 1988 and 1993 the average annual increase was only 1.2 percent. Including contributions by foundations and corporations and individual bequests as well as gifts of living individuals, the average increase between 1988 and 1993 was still only 1.2 percent.

While the percentage of American households giving to charity has remained steady over the years at close to 75 percent, average household contributions dropped between 1989 and 1993 by a disturbing 23 percent after inflation. Likely reasons were worries about the national economy and personal financial security.

Private foundations, which mostly make grants from their endowment incomes, provide about \$10 billion a year to charitable purposes—a relatively small portion of total charity revenues. Moreover, foundations tend to use grants as risk capital to underwrite innovations rather than for general operating purposes. Many must limit their funding to special types of projects.

#### HIGHER FEES AND DUES WILL PUT CHARITABLE SERVICES BEYOND THE REACH OF THOSE THEY ARE SUPPOSED TO SERVE

Charities receive about 40 percent of their revenues—double what they get from private giving and one-third more than they get from government—through dues, fees, and other charges. Relentlessly rising costs and dwindling government revenues have forced many charities to charge more for services, or start charging for formerly free services.

Charities cannot increase their charges above certain levels, however, without putting their services beyond reach of the very people whose needs they serve. Moreover, in some sectors at least, efforts to begin or expand the sale of related goods and services may encounter complaints from for-profit suppliers claiming unfair competition.

#### IN SUMMARY

Certainly, charities and their donors will do whatever they possibly can to increase gift revenues and services to compensate for reduced government spending.

But we can only do so much. We cannot begin to do it all.

These are facts of life. We, the undersigned organizations, urge you to take these facts carefully and fully into account in your deliberations, decisions, and votes.

American Arts Alliance, American Association of Museums, American Cancer Society, American Foundation for Vision Awareness, The American Indian College Fund, American Jewish Congress, American Lung Association, American Social Health Association, American Symphony Orchestra League, American Tinnitus Association.

Arrow, Incorporated, Arthritis Foundation, Association for Healthcare Philanthropy, Association of Jesuit Colleges and Universities, Battle Creek Community Foundation, The Boston Foundation, Otto Bremer Foundation, California Association of Non-profits, Camp Berea, Inc., Camp Fire Boys and Girls.

Cancer Care, Inc., CARIE (Coalition of Advocates for the Rights of the Infirm Elderly), Catholic Health Association, Catholic Social Service—Kansas City, KS, Center for Applied Linguistics, Center for Community Change, Chesapeake Bay Foundation, Children's Aid International, Church Women United, The Community Foundation Serving Coastal, S.C.

Compeer Inc., Compton Foundation, Council for Advancement and Support of Education, Dance/USA, Direction Center, Grand Rapids, MI, Donors Forum of Chicago, Epilepsy Foundation of America, Eureka Communities, Evangelical Lutheran Church in America, Maurice Falk Medical Fund.

Families International, General Conference of Seventh Day Adventists, General Federation of Women's Clubs, General Services Foundation, Girls Scouts of the USA, Greater Worcester Community Foundation, Alan Guttmacher Institute, Holland Home, Grand Rapids, MI, Hudson—Webber Foundation, Illinois Association of Non-Profit Organizations.

Illinois Literacy Resource Development Center, InterAction, International Primate Protection League, Jewish Community Centers Association of North America, Jewish Federation of Metropolitan Chicago, Harris and Eliza Kempner Fund, Albert Kundstadter Family Foundation, Lakeshore Lung Society, Laubach Literacy, Leukemia Society of America.

March of Dimes, Maryland Association of Nonprofit Organizations, Mental Health Association in Texas, Mercy Medical Airlift, Metropolitan Association for Philanthropy, Minnesota Community College System, Nagle & Associates, National AIDS Fund, National Asian Pacific American Legal Consortium, National Association for Visually Handicapped.

National Association of Homes and Services For Children, National Association of Service and Conservation Corps, National Benevolent Association, National Committee for Responsive Philanthropy, National Committee to Prevent Child Abuse, National Council of Catholic Women, National Council of Churches of Christ in USA, National Council of Jewish Women, National Council

of Nonprofit Associations, National Easter Seal Society.

National Humanities Alliance, National Multiple Sclerosis Society, National Neighborhood Coalition, National Resource Defense Council, National Society of Fund Raising Executives, National Wildlife Federation, National Women's Law Center, Native American Rights Fund, NC Center for Nonprofits, New York Regional Association of Grantmakers.

Noble Centers, Inc., Nokomis Foundation, OMB Watch, OPERA America, Options for Independence, The Park Ridge Center for the Study of Health, Faith, and Ethics, People's Place—Milford, DE, The Pittsburgh Foundation, Recording for the Blind, Inc., Research! America.

School for Field Studies, Second Harvest, Stepping Stones-Morgantown, WV, Theatre Communications Group, The Union Institute, United Church of Christ, Office for Church in Society, United Way of Michigan, Warren Village, The Wesleyan Church, Wichita Industries and Services for the Blind.

Women's College Coalition, World Emergency Relief, YMCA of the USA, YWCA of Chemung County, Elmira, NY, YWCA of the USA.

### TRIBUTE TO THE LEAGUE OF WOMEN VOTERS

#### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. DINGELL. Mr. Speaker, I am honored to rise today in recognition of the 75th anniversary of one of this Nation's most unique and venerable political institutions—the League of Women Voters. Founded in 1920, 6 months prior to passage of the 19th amendment, the League of Women Voters is dedicated to furthering the active and informed participation by citizens in the democratic process.

Today, the League of Women Voters boasts more than 1,100 chapters and 150,000 members, men and women. The hallmark of this nonpartisan organization, which does not support political parties or their candidates, is its grassroots approach to action. Official policy positions advocated by the league are based upon the collective ideas and opinions of its members. In addition, individual chapters consistently put forward innovative community-based strategies to encourage citizen participation at the local level.

As we look back on many of the most important legislative accomplishments of the past 75 years, it is clear that the involvement of the League of Women Voters has had a lasting impact. Individuals such as Eleanor Roosevelt, who was a very active member of the New York League, have fought on countless occasions for the enactment of measures to improve working conditions for the American worker; ensure that our children are well fed and properly educated; guarantee equal rights for all; strengthen our health care system; and protect our environment for this and future generations.

I am pleased to join with my colleagues in honoring this exceptional organization committed to responsible citizenship. By encouraging the enlightened debate of vital national, State, and local issues, the League of Women Voters has contributed greatly to the representative system of government envisioned by our Founding Fathers.

### THE ENERGY EFFICIENCY AND CONSERVATION ACT OF 1995

#### HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mr. McDERMOTT. Mr. Speaker, today I am introducing the Energy Efficiency and Conservation Act of 1995. This is the same legislation that I introduced in the 103d Congress as H.R. 784.

Energy experts across the Nation recognize conservation as the most environmentally responsible and cost-effective source of energy available today. Under the direction of the Northwest Power Planning Council, the States of Washington, Oregon, Idaho, and Montana are committed to achieving 1,500 megawatts of energy conservation over the next decade. This effort will save enough energy to meet the electricity demands of a city half again as large as Seattle.

This legislation will overturn the Internal Revenue Service practice that discourages private utilities from pursuing the kind of effective conservation programs that are vital to the Nation's energy future. Longstanding IRS policy has allowed electric and gas utilities to deduct from their tax liabilities the costs of their energy conservation programs in the year incurred. However, the Service has begun to pressure private utilities to spread these deductions over a period of several years. The Puget Sound Power & Light Co. estimates that this could reduce its annual conservation expenditures by up to 10 percent. That amount is equivalent to the loss of electricity conserved when 4,500 homes participate in the company's residential weatherization program.

I want to emphasize that this legislation is nothing more than an affirmation of longstanding tax policy, and a rejection of the Service's recent attempts to modify it. Utilities have deducted conservation expenditures in the current year since the beginning of these programs in the 1960's. As recently as 1991, the IRS acknowledged in a technical memorandum that conservation expenditures are, in fact, allowable as a current deduction.

Investor owned utilities are the key to the success of conservation programs across the country. Of the 1,500 megawatts of energy savings the Pacific Northwest has committed to achieve in this decade, over half of that will come from private utilities. I am committed to supporting these companies in this important effort, and this legislation is a vital first step.

### CONTRIBUTIONS IN AID OF CONSTRUCTION

#### HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 15, 1995*

Mrs. JOHNSON of Connecticut. Mr. Speaker, today I am introducing revenue neutral legislation to reinstate the exclusion from gross income of Contributions In Aid of Construction—known as CIAC—to a water or wastewater utility. Joining me as original co-sponsors are Representatives ROBERT MATSUI, RICHARD NEAL, ANDY JACOBS, and WILLIAM JEFFERSON.