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ACTIVITIES OF THE COMMITTEE ON
GOVERNMENTAL AFFAIRS

REPORT

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

AND ITS

SUBCOMMITTEES

FOR THE

ONE HUNDRED THIRD CONGRESS



APRIL 4 (legislative day, MARCH 27), 1995.—Ordered to be printed

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*Joined the Committee on October 1, 1993.

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ACTIVITIES OF THE COMMITTEE ON GOVERNMENTAL
AFFAIRS DURING THE 103RD CONGRESS

APRIL 4 (legislative day, MARCH 27), 1995.—Ordered to be printed

Mr. ROTH, from the Committee on Governmental Affairs,
submitted the following

REPORT

This report reviews the legislative and oversight activities of the Committee on Governmental Affairs during the 103rd Congress. These activities parallel the broad scope of responsibilities vested in the Committee by the Legislative Reorganization Act of 1946, as amended, rule XXV(1)(k) of the Standing Rules of the Senate, and additional authorizing resolutions.

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I. HIGHLIGHTS OF ACTIVITIES

NATIONAL PERFORMANCE REVIEW AND OTHER MANAGEMENT INITIATIVES

A highlight of the 103rd Congress was the support of Chairman Glenn and Ranking Member Roth for the government reform efforts of the National Performance Review (NPR). Some significant initiatives also arose independently in the Committee, such as procurement reform and performance measurement. In 1993, President Clinton signed into law two Governmental Affairs initiatives: (1) the “buy-out” bill (i.e., the “Federal Workforce Restructuring Act”); and (2) the “Government Performance and Results Act.”

In 1994, in addition to procurement reform, the GAC considered the NPR’s omnibus government reform bill, H.R. 3400. While a few issues in the jurisdiction of other committees moved on their own, most were not acted upon—but not in the Governmental Affairs Committee. The Committee took those provisions of H.R. 3400 under its jurisdiction and, after a hearing, moved them as a stand-alone bill, S. 2170, the “Government Management Reform Act.”

After being reported by the Committee, S. 2170 passed the Senate and House and was signed into law by President Clinton. The most important provisions of the law involve the expansion of the Chief Financial Officers Act, but it also requires an annual government-wide consolidated financial statement, expands the use of electronic funds transfer to simplify and save money in paying Federal wages and benefits, simplifies agency reporting requirements, and establishes SES leave accumulation caps and congressional COLA limits (to that of GS levels).

In addition to work on specific management issues, the Committee continued to oversee overarching management issues such as Office of Management and Budget (OMB) management leadership. The Committee held confirmation hearings for the OMB Director and Deputy Director for Management and pressed all nominees to commit to making management a priority.

Along with its sister committee on the House side, Government Operations, the Committee exercised oversight over OMB’s reorganization, known as “OMB 2000”. In this reorganization, OMB has been attempting to integrate its management functions with its budget functions. GAO was tasked with assessing whether OMB’s management functions, such as CFO Act implementation, were being adequately performed in the context of the new “Resource Management Offices” (RMO’s).

In total, the Committee held over a dozen hearings on waste, fraud, abuse and mismanagement at various Federal agencies including the Internal Revenue Service, U.S. Customs Service, the Department of Energy (DOE) and the Environmental Protection Agency (EPA). Three hearings were held solely on the issue of financial management at the Department of Defense (DOD).

A sampling of some other findings reveals:

The Customs Service may have been losing billions in revenue because it accepted, at face value, information reported by importers.

Many EPA contracts were not awarded on a competitive basis, had possible conflict of interest problems, or were for nonessential services.

The Army made unauthorized payroll payments in one month to 2,100 individuals totaling \$6.1 million.

As of January 1994, the Army had made about \$8 million in unauthorized payments to soldiers, including repeated payments to 76 deserters and six ghost employees.

In addition, the Committee convened its annual hearings in 1993 and 1994 to review the findings in the General Accounting Office's (GAO) high risk reports, continuing the Committee's broad-based review of government management, focusing on cost savings, improvements to general and financial management, and the National Performance Review, as initiatives to make government more effective.

Information management

In the realm of information management, after a year-long effort, the Committee produced a bipartisan consensus compromise bill to reauthorize the Paperwork Reduction Act, which subsequently passed the Senate. The bill, a compromise between S. 560 (Senators Nunn, Bumpers and Roth) and S. 681 (Senators Glenn and Levin), would have strengthened paperwork clearance and information resources management responsibilities for both OMB and Federal agencies. On the issue of paperwork clearance, the bill also addresses the major business community concern by overturning the Supreme Court decision, *Dole v. United Steelworkers*, to ensure that agency information disclosure requirements are cleared by OMB.

At the request of Senator Glenn, GAO evaluated the design and implementation of DOD's Corporate Information Management (CIM) initiative. Committee interest originated in initial GAO audits of DOD financial management efforts, but this time GAO's work expanded beyond financial management to cover CIM initiatives in logistics, medical care, and technical areas, such as data standardization, the CASE (integrated computer-aided software engineering) procurement, and consolidation of data processing operations. In each area, GAO has found troubling examples of poor planning, systems consolidation taking place before process re-engineering, and inadequate direction from top DOD officials. GAO has begun a project for the Committee to try to apply to CIM the "IRM Best Practices" lessons also integrated into the Paperwork Reduction Act legislation.

In September 1994, the congressional Office of Technology Assessment (OTA) released a study, "Information Security and Privacy in Network in Network Environments," which had been requested by Senators Roth and Glenn. The report describes the vulnerabilities faced by government computers in the new age of telecommunications and networks—information on more people and important government matters is accessible through networks

and over phone lines than ever before. The OTA report recommended congressional oversight and legislative action on the Privacy Act, the Computer Security Act, and specific Federal agencies, such as the National Security Agency, the National Institute of Standards and Technology, OMB, and GSA.

The OTA report represents a culmination in the 103rd Congress of the Committee's continuing attention to computer security and privacy issues. In a financial management hearing on the Internal Revenue Service, for example, the Committee revealed serious lapses in security and privacy controls—IRS employees were found to be browsing through taxpayer records. In the Committee's hearing on the reauthorization of the Paperwork Reduction Act, witnesses also testified on the need to strengthen security and privacy controls in the context of information resources management. Earlier in the 103rd Congress, the Committee also revealed weaknesses in privacy controls in proposed health care reform systems.

Procurement Reform

The passage by Congress of the Federal Acquisition Streamlining Act of 1994 (FASA) constituted a critical victory in the war against government inefficiency and one of the most significant accomplishments of the Committee during the 103rd Congress. The Act is a comprehensive government-wide procurement reform effort aimed at streamlining the acquisition process by reducing paperwork burdens through revision and consolidation of acquisition statutes to eliminate redundancy, provide consistency, and facilitate implementation.

The law is the culmination of over a decade of legislative and oversight effort led by the Government Affairs in conjunction with the Armed Services and Small Business Committees of both the Senate and the House, to make sense out of the complex process of supplying the Federal government with the goods and services it needs to operate. NPR recommendations regarding increased reliance on acquisitions of commercial items, an increased "simplified acquisition threshold" of \$100,000 and others mirroring those in the Report of the Advisory Panel on Streamlining and Codifying Acquisition Laws pursuant to Section 800 of the National Defense Authorization Act for Fiscal Year 1991 (the so-called "800 Panel") also figured significantly.

FASA seeks to address concerns raised regarding the administrative burden associated with the government's specialized requirements from cost accounting standards to socioeconomic laws to the government's oversight tools, which have resulted in the bifurcation of the government and commercial markets. The law attempts to minimize this undesirable consequence of these well-intentioned provisions in an effort to strike a balance between efficiency and oversight.

The Committee also had jurisdiction to oversee a section of the implementing legislation for the North American Free Trade Agreement (NAFTA) and the GATT (General Agreement on Tariffs and Trade) and Uruguay Round treaties. These relevant sections were related to liberalizing the procurement markets of signatory countries.

Federal Disaster Management

During the 103rd Congress, the Committee held hearings and favorably reported legislation designed to improve the government's response to disasters, particularly those causing major devastation. The main objectives were as follows:

1. Improving the Federal response to catastrophic disasters by clarifying the Federal Emergency Management Agency's (FEMA) pre-disaster declaration authority, creating a new category of disaster ("catastrophic") for events which overwhelm State and local capabilities and triggers a heightened federal response, including utilization of DOD resources, providing direct White House involvement in coordinating this response, and establishing rapid disaster assessment "strike" teams;
2. Elevating and refining the Federal Response Plan by giving it the full weight and scope of Presidential authority, requiring all hazards training and exercises by the National Guard and State and local authorities, developing an inventory of federal disaster resources, and improving the system of disaster volunteers and donated goods;
3. Revitalizing FEMA's mission, organization, and structure to encompass an all-hazards approach to disaster management, mitigation, and preparedness to minimize the effects of natural or manmade disasters by integrating all government resources, setting qualification standards for FEMA officers, stressing cross-training approaches at the National Academy for Fire Prevention and Control and the Emergency Management Institute, and enhancing university-based research for disaster management methods and technologies;
4. Improving State preparedness, accountability, and performance through streamlined, flexible Federal emergency grants and establishing State performance standards to determine the eligibility for such grants and the cost-share for other related federal disaster assistance;
5. Preventing fraud and price gouging following Presidentially-declared disasters by making such crimes federal offenses, establishing intergovernmental antifraud task forces, and providing fraud prevention information to victims of disasters.

General Accounting Office

In May, 1993, the Committee entered into a contract with the National Academy of Public Administration (NAPA), under the authority of section 13(b)(1) of S. Res. 71, for a comprehensive examination of the General Accounting Office (GAO). This report, "The Roles, Mission, and Operation of the U.S. General Accounting Office" was released by the Committee on October 6, 1994. In a joint statement, Chairman Glenn and Senator Roth, the Ranking Minority Member, said, in part:

Congress depends on GAO for accurate, fair audits and evaluations. That should be GAO's mission and service to Congress and the nation. In recent years, there has been growing concern over the operation of GAO, and its relationship to Congress and the Executive Branch, the quality

and objectivity of its reports, and its very role. This report makes a number of recommendations designed to ensure that GAO's effectiveness, reputation and credibility will be preserved as we move into the next century.

Among the issues raised are: the scope of GAO's work, the use of its resources, the quality of its work products, the objectivity of its findings and conclusions, and the manner in which reports are presented and released. The NAPA report suggests that GAO's mission and use by Congress has been broadened and expanded in recent years, placing new demands on the agency's core purpose, skills, and resources. This, in turn, has heightened GAO's involvement in policy questions and raised concerns by some over the exercise of GAO's responsibilities and impartiality.

The report makes no recommendation for revising GAO's statutory charter and concludes there is no evidence of deliberate political or partisan bias in its work. However, there are questions surrounding whether GAO should undertake certain studies that may be politically-sensitive and controversial in nature. We recognize that there is always an inherent tension in any political process. And the report does cite aspects in GAO's relations with Congress calling for further examination. These include: increased sharing of information with Congress, such as strategic plans and on-going projects, improved performance indicators, utilization of outside peer review groups, assignment of detailees, and the use of agency comments on reports.

These matters deserve our consideration. All of the issues raised in the report will be the subject of thorough oversight hearings in the next Congress. GAO is an important institution, and one we rely on. It requires that it have our confidence and trust to effectively meet its future challenges and preserve its reputation and competence.

FEDERAL PERSONNEL ISSUES

In the 103rd Congress, the Committee continued to exercise active oversight over a major part of its jurisdiction: issues affecting Federal employees. In the past, this oversight had largely been of issues affecting employees of the Executive branch, but this time Legislative branch employees were included when the Committee considered the "Congressional Accountability Act" which would have applied certain Acts of Congress to employees of Congress or congressional agencies. A hearing was held on this legislation, and the bill was reported from Committee, but no further action was taken in the 103rd Congress.

The Committee also considered S. 404, the "Federal Employees Fairness Act" which, if passed, would have improved the effectiveness of administrative review of Federal employment discrimination claims. The Committee favorably reported the bill, but no further action was taken in the 103rd Congress.

After a multi-year long struggle, S. 185, the "Hatch Act Reform Amendments of 1993" was passed by the Congress and signed into law by the President. S. 185 amended the 1939 Hatch Act statute

that prohibited most Federal civilian and postal employees from being politically active, and now allows these civil servants to participate voluntarily, as private citizens, in the Nation's political processes with some restrictions. The new law retains all prohibitions against the use of one's official position to influence other employees and increased penalties for those convicted of such abuse.

The Congress also passed and the President signed into law S. 1535, the "Federal Workforce Restructuring Act" during this Congress. The passage of this bill allows agencies to offer targeted voluntary separation incentives to encourage employees to resign or retire from Federal service.

Finally, at the request of Chairman Glenn, GAO prepared two reports. The first, "Political Appointees: 10 Year Staffing Trends at 30 Federal Agencies" (GGD-93-74FS; April, 1993), examined the historical trends in the employment of noncareer and Senior Executive Service (SES) and Schedule C appointees and full-time permanent employees at the 30 federal agencies with the largest number of political appointees between 1981 to 1991. The second study, "Political Appointees: Turnover Rates in Executive Schedule Positions Requiring Senate Confirmation" (GGD-94-115FS; April, 1994), presented information on the periods of service for persons appointed by the President to federal Executive positions with the advice and consent of the Senate over a similar 10-year span.

FEDERALISM

A new issue tackled by the Committee during the 103rd Congress was that of unfunded Federal mandates; the practice of passing Federal laws applicable to States and localities without providing funding. The Committee held hearings on the problems and burdens facing State and local governments in implementing Federal mandates and on Federal mandate reform and relief legislation. The purpose of this legislation, S. 993, was to end the practice of imposing unfunded Federal mandates on State and local governments and to ensure that the Federal government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations. A subsequent bill, S. 1604, was introduced by Chairman Glenn to provide for greater regulatory flexibility for small governments, lessen compliance burdens on small governments, and test innovative regulatory methods. It was known as the Federal Mandate Accountability and Reform Act of 1994. The Committee reported the legislation as an amendment in the nature of a substitute, but no further action was taken.

NUCLEAR NONPROLIFERATION ISSUES

Continuing the long leadership by the Chairman to promote policies to prevent nuclear proliferation, the Committee pursued a variety of oversight activities throughout the 103rd Congress with respect to nuclear export controls and nonproliferation issues. Four hearings were held on the following topics: bomb exports, the U.S. strategic nuclear triad, disposing of plutonium in Russia, and proliferation threats of the 1990s.

The key legislative accomplishment of the Committee in this area was the enactment on April 30, 1994 of the Nuclear Prolifera-

tion Prevention Act of 1994. This Act had been introduced originally by Senator Glenn on May 27, 1993 as the Omnibus Nuclear Proliferation Control Act of 1993 and was passed by the Senate by unanimous consent on January 31, 1994 as Title VIII of the Foreign Relations Authorization bill (enacted as P.L. 103-236). The Act authorizes the President to impose stiff economic sanctions against companies and countries that engage in illicit sales of goods or technology with nuclear weapons-related applications. The Act also expands public access to data about U.S. exports, eliminates a special waiver for Pakistan from U.S. nonproliferation legislation, and recommends 24 measures to strengthen the International Atomic Energy Agency.

At the request of Chairman Glenn during the 103rd Congress, several reports and studies were produced by the GAO and OTA on nonproliferation issues. Topics were wide-ranging and included export controls, plutonium, chemical and biological defense, issues related to the former Soviet Union and Japan, U.S. nuclear tracking capabilities, inventory management of missiles, ballistic missile defense, challenges facing the International Atomic Energy Agency, and technologies and proliferation of weapons of mass destruction. In addition, the Congressional Research Service prepared a "Nuclear Proliferation Factbook" and "Nuclear Non-Proliferation Act Reporting Requirements."

Finally, the Committee published volumes 4 and 5 of its newsletter, Proliferation Watch, chronicling worldwide and national developments relating to the global spread of nuclear weapons and other weapons of mass destruction.

ENVIRONMENTAL AND ENERGY ISSUES

During the 103rd Congress, Senator Glenn continued his active oversight of the Department of Energy's Environment Safety and Health programs. A total of nine GAO reports were released by Chairman Glenn during this Congress on these issues alone. The Committee has continued its efforts to foster more responsible environmental cleanup practices and to protect public health and safety at such facilities as the Hanford Nuclear Reservation, the Fernald plant, and the Savannah River facility.

New revelations in late 1993 about the U.S. government's Cold War involvement in exposing citizens to radiation (including a report released by the Committee concerning heretofore secret "planned releases" of radiation at DOE and DOD sites) were the topic of two hearings during 1994. The first of these hearings examined, in part, whether appropriate controls are currently in place to prohibit improper human experimentation by Government agencies. The second hearing examined the progress made by the Advisory Committee on Human Radiation Experiments in their effort to evaluate the Cold War radiation experiments.

Two additional hearings focused on the Nuclear Regulatory Commission's ability (or inability) to properly work with other Federal and state agencies in the regulation of various aspects of radiation. The first hearing looked at the Federal government's regulation of medical radiation, and specifically the gaps and overlaps arising from FDA and NRC regulation. The second hearing, held jointly with the House Subcommittee on Environment, Energy and Natu-

ral Resources, explored radioactive contamination of sewage sludge, and the failure of NRC and EPA regulation to adequately control this pollution.

In addition to several other GAO and OTA reports on topics ranging from energy conservation to nuclear regulation, the Committee also issued its own report, "U.S. Department of the Interior: Environmental Problems and Issues" (September 1993). The report was issued in conjunction with a hearing on the same topic.

Finally, for the third consecutive Congress, Senator Glenn introduced legislation, S. 171, to elevate EPA to Cabinet-level status. Although the Committee held hearings on S. 171, it was reported out of Committee, and it passed the Senate twice, the House failed to take any action, and the measure died with the adjournment of the 103rd Congress.

Each of the subcommittees also examined a number of issues within their individual jurisdictions. The Subcommittee on Federal Services, Post Office and Civil Service held hearings on and examined a variety of relevant postal issues, Federal licensing procedures for importing and selling firearms, Federal performance, operational testing to ensure better weapons for our troops, arms export licensing, and the Federal role in child support enforcement.

The Subcommittee on General Services, Federalism and the District of Columbia examined a myriad of issues relevant to the District of Columbia and the General Services Administration.

Important hearings were held on the oversight of the insurance industry and Blue Cross/Blue Shield programs, corruption in professional boxing, abuses in Federal student grant programs, criminal aliens in the United States, and international organized crime and its impact on the U.S. by the Permanent Subcommittee on Investigations.

The Oversight of Government management Subcommittee examined ethics reform, NAFTA, oversight of Federal property management, government contracting, oversight of the FDIC, oversight of U.S.-Japan auto parts framework negotiations, oversight of EPA's implementation of the nonattainment provisions of the Clean Air Act in the Lake Michigan region, and the Navy's mismanagement of the Sealift Tanker Program.

The Subcommittee on Regulation and Government Information held hearings on contracting problems at the RTC, the adequacy of HCFA information systems and the collection and privacy of health care information, assuring the preservation and access to public papers of Supreme Court justices, at-home business opportunity scams, international consumer fraud, using new technology to improve services and cut costs, video games violence, crisis in the availability of life-saving medical devices, and deceptive invention marketing scams.

Finally, the Task Force on Waste, Fraud and Abuse held hearings on the overbuilding of Federal courthouses, the accountability and management of DOD facilities requirements, criminal debt collection, drug pricing, and the Interstate Identification Index.

II. COMMITTEE JURISDICTION

In the 95th Congress, the jurisdiction and functions of the Committee on Governmental Affairs were substantially enlarged with

the Senate approval of the Committee System Reorganization Amendments of 1977 (S. Res. 4, 95-1, February 4, 1977). S. Res. 4 also changed the Committee's name from the Committee on Government Operations to the Committee on Governmental Affairs.

Rule XXV(1)(k) of the Standing Rules of the Senate requires reference to this Committee of all proposed legislation, and other matters, dealing with (1) archives of the United States; (2) budget and accounting measures, other than appropriations, except as provided in the Congressional Budget Act of 1974; (3) census and collection of statistics, including social and economic statistics; (4) congressional organization, except for matters which amend the rules or orders of the Senate; (5) Federal civil service; (6) Government information; (7) intergovernmental relations; (8) municipal affairs of the District of Columbia; (9) organization and management of U.S. nuclear export policy; (10) organization and reorganization of the Executive Branch of the Government; (11) Postal Service; and (12) status of officers and employees of the United States including their classification, compensation and benefits.

The Committee is further authorized and directed to (1) receive and examine reports of the Comptroller General of the United States and to submit to the Senate such recommendations as the Committee deems advisable; (2) study the efficiency, economy and effectiveness of all agencies and departments of the Government; (3) evaluate the effects of laws enacted to reorganize the legislative and executive branches of the Government; and (4) study the intergovernmental relations between the United States and States and municipalities, and between the United States and international organizations of which the United States is a member.

In addition, the Committee has primary oversight and legislative jurisdiction over the General Accounting Office, the Office of Personnel Management, the Office of Management and Budget, the Postal Service, and the General Services Administration, and processes all legislation relating to the disposal and the negotiated sales of federal surplus property.

III. BILLS AND RESOLUTIONS REFERRED AND CONSIDERED

Two hundred five Senate bills and 51 House bills were referred to the Committee for consideration during the 103rd Congress. Three original bills came out of the Committee. One amendment was referred to the Committee. In addition, two simple Senate resolutions and four Concurrent Senate resolutions were referred to the Committee. No joint resolutions were referred to the Committee. No reorganization plans were submitted. Of the legislation received and considered, 41 bills were reported, 34 became law, 0 were vetoed, 1 resolution was agreed to, and 1 resolution was incorporated into a larger Senate resolution.

IV. HEARINGS

During the 103rd Congress, the Committee and its five Subcommittees held a total of 119 days of hearings on numerous nominations and a wide variety of legislative and oversight issues. At the full Committee level, a number of important topics were examined, including:

(1) Transition recommendations and high risk reports; (2) EPA elevation to Cabinet level; (3) Nuclear proliferation threats in the 1990s; (4) Disposing of plutonium in Russia; (5) Improving governmental organization and performance; (5) Breakdown of IRS tax enforcement regarding multi-national corporations; (6) Human genome diversity project; (7) Hatch Act Reform Amendments; (8) Federal regulation of medical radiation uses; (9) Rebuilding FEMA; (10) Federal Employees Fairness Act; (11) Evaluation of the Triad; (12) EPA contract management problems; (13) DOD financial management; (14) Problems at the Department of Agriculture; (15) Waste and Abuse at IRS and Customs; (16) Environmental problems in the Federal government; (17) Federal Workforce Restructuring Act; (18) Federal mandates on state and local governments and accompanying legislation; (19) NAFTA statistics; (20) The Federal government's role in human radiation and other scientific experiments; (21) OMB's plan to make government work; (22) Government Reform and Savings Act; (23) Federal Acquisition Streamlining Act (held jointly with the Senate Armed Services Committee); (24) Federal policies governing the introduction of non-indigenous plant and animal species; (25) Contract and financial management at DOE; (26) Federal telecommunications policy; (27) Overbuilding of Federal courthouses; (28) Health care information management; (29) Health care reform and FEHBP; (30) Past U.S. exports of nuclear dual-use goods and technologies to countries with illicit nuclear weapons programs; (31) Regulatory review and paperwork reduction; (32) Reauthorization of the FEMA Emergency Food and Shelter National Board Program; (33) Radioactive contamination at sewage treatment plants (held jointly with a House Environment Subcommittee); (34) Military construction; (35) Federal criminal and restitution debt collection; (36) Congressional coverage legislation; (37) High risks and emerging fraud at IRS, student loan programs and HUD; (38) Differences in international pricing policies of prescription drug manufacturers; (39) Review of the audited financial statements and financial management practices of Federal agencies; (40) Full voting representation in Congress for the District of Columbia; and (41) Interstate Identification Index.

V. REPORTS, PRINTS AND STUDIES

During the 103rd Congress, the Committee and its Subcommittees prepared and issued 29 reports, special prints and studies on these topics, among others:

(1) Lobbying Disclosure Act; (2) Department of the Environment Act; (3) Hatch Act Reform Amendments; (4) Government Performance and Results Act; (5) Independent Counsel Reauthorization Act; (6) Reauthorization of the National Historical Publications and Records Commission; (7) Federal Employee Fairness Act; (8) Government Streamlining and Reform Act; (9) North American Free Trade Agreement Implementation Act (jointly with several other committees); (10) Federal Workforce Restructuring Act; (11) Congressional Gifts Reform Act; (12) Federal Acquisition Streamlining Act; (13) District of Columbia Justice Reform Act; (14) Government Management Reform Act; (15) Reauthorization of the Office of Government Ethics; (16) Federal Mandate Accountability and Reform

Act; (17) Paperwork Reduction Act; (18) FEGLI Living Benefits Act; (19) Congressional Accountability Act; and (20) Federal Disaster Preparedness and Response Act.

VI. OFFICIAL COMMUNICATIONS

During the 103rd Congress, a total of 1,124 official communications were submitted to the Committee. Of these, 40 were from the Comptroller General of the United States, and 1,084 were from the President of the United States and other executive departments. These communications included reports to advise and inform the Congress, required annual or semi-annual agency budget and activities summaries, and requests for legislative action. The Committee also received 70 petitions and memorials.

VII. LEGISLATIVE ACTIONS

For information not included in this section, please refer to the Committee's legislative calendar.

The Committee was extremely productive in the 103rd Congress. Important legislation was reported by the Committee, approved by Congress and signed by the President in a variety of areas within the Committee's jurisdiction. Following are brief legislative histories of selected measures referred to the Committee, and in some cases, drafted by the Committee, which: (1) became public law; (2) were favorably reported from the Committee and passed by the Senate; and (3) were favorably reported from the Committee but which died in the 103rd Congress.

MEASURES ENACTED INTO LAW

Government Performance and Results Act of 1993 (Public Law 103-62)

S. 20, the Government Performance and Results Act of 1993, introduced by Senator Roth on January 21, 1993, with Senators Glenn, Graham, Metzenbaum, McCain, Akaka, Robb, and Lugar as cosponsors, provides for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government. It is to improve the efficiency and effectiveness of Federal programs by establishing a system to set goals for program performance and measuring results. Senator Roth first introduced this legislation in 1990.

The bill also requires that, beginning in FY 1994, there shall be at least 10 three-year pilot projects in program performance, goal setting, measurement, and reporting, and at least five two-year pilot projects in greater managerial flexibility in return for commitments to greater program performance. In 1997, OMB and GAO shall report on the results of the pilot projects. By FY 1998, the requirements of the Act for five-year strategic planning, annual program performance plans, and annual program performance reports shall come into force governmentwide. Also in 1997, OMB will begin at least five two-year pilot projects in performance budgeting.

A hearing was held on the bill on March 11, 1993. On March 24, 1993, the Committee voted to report S. 20 as amended by Senators Glenn and Pryor (S. Rept. 103-58). By voice vote, S. 20 passed the Senate with amendment on June 23, 1993 and passed the House

by voice vote on July 15, 1993. The President signed S. 20 into law on August 3, 1993.

The Hatch Act Reform Amendments of 1993 (Public Law 103-94)

S. 185 was introduced by Chairman Glenn and ten cosponsors on January 26, 1993 and referred to the Governmental Affairs Committee. Subsequently, it was marked up by the Committee on May 11 and May 13, 1993. An amendment in the nature of a substitute, offered by Chairman Glenn, was approved by voice vote.

The text of S. 185 was passed by the Senate on July 20, 1993, as an amendment in the nature of a substitute to H.R. 20. The House did not request a conference on this bill and passed the amended text of H.R. 20, clearing the measure for the President's signature. It was signed into law on October 6, 1993.

Public Law 103-94 amended the 1939 Hatch Act statute that prohibited most Federal civilian and postal employees from being politically active. The new law allows these civil servants to participate voluntarily, as private citizens, in the Nation's political processes with some restrictions. The new law retains all prohibitions against the use of one's official position to influence other employees and increased penalties for those convicted of such abuse. In addition, it includes language that covers political recommendations regarding civilian personnel actions and allows for garnishment of Federal employees' wages.

The Federal employees Leave Sharing Amendments Act of 1993 (Public Law 103-103)

S. 1130 was a bill to provide for the continuing authorization of Federal employee leave transfer and leave bank programs. It reauthorizes the Federal Employees Leave Sharing Act of 1988 to make both the leave transfer and leave bank programs permanent. In addition, the bill: (1) provides that advanced leave shall not be considered when determining eligibility for donated leave; (2) eliminates the requirement that leave accrued during a medical emergency be set aside until the medical emergency has terminated; and (3) authorizes employees to participate in both the leave transfer and leave bank programs.

The Committee favorably reported the bill without amendment on June 24, 1993, and it passed the full Senate without amendment by voice vote on July 14, 1993. The House passed an amended version of the bill by voice vote on September 21, 1993. The President signed S. 1130 into law on October 8, 1993.

Trade Treaty Implementing Legislation

On November 10, 1993, the Committee held a hearing which examined the methodology used by the Commerce Department in estimating the gains in U.S. jobs and exports as a result of the North American Free Trade Agreement. On November 18, 1993, the Committee marked up Subtitle G of Title III of S. 1627, legislation to implement the North American Free Trade Agreement. These provisions seek to expand and open up the government procurement markets of Mexico, the United States, and Canada to companies from those nations. The legislation was reported out unanimously, without recommendation, by the Committee.

On October 5, 1994, the Committee voted unanimously to report, without recommendation, Section 102 of Subtitle A, Title I and Subtitle E of Title III of S. 2467, legislation to implement the Uruguay Round Trade Agreement. Section 102 addresses issues concerning the sovereign powers of State governments under the Constitution and ensures that the authority of the new World Trade Organization does not supersede these powers. Subtitle E establishes criteria and procedures to further liberalize the government procurement markets of the member nations of the General Agreement on Tariffs and Trade (GATT) Government Procurement Code.

The Federal Workforce Restructuring Act of 1993 (Public Law 103-226)

S. 1535 was introduced on October 7, 1993 by Senator Glenn, with Senators Pryor and Stevens as cosponsors, and was referred to the Committee on Governmental Affairs. The Committee marked up S. 1535 on November 9, 1993. Six amendments were offered and accepted to the bill. The Committee on Governmental Affairs reported out S. 1535 by a vote of 11-0.

The text of S. 1535 was enacted into law, with amendments, in the context of a conference agreement on H.R. 3345 (the House companion bill). It was signed into law on March 30, 1994.

Public Law 103-226 allows agencies to offer targeted voluntary separation incentives, through March 31, 1995, to encourage employees to resign or retire from Federal service. The financial payments would be the lesser of \$25,000 or the amount an employee would be paid in severance pay if his or her job was being abolished. It requires overall government caps on Full-Time Equivalent (FTE) positions, from Fiscal Year 1994 through Fiscal Year 1999, in order to reduce Federal employment by 272,000 positions.

The Federal Acquisition Streamlining Act of 1993 (Public Law 103-355)

On October 26, 1993 Senator Glenn, along with Senators Bingaman, Levin, Nunn, Bumpers, and Lieberman introduced S. 1587, the Federal Acquisition Streamlining Act ("FASA"). On March 24, 1994, Senators Roth and Cohen introduced S. 1982, the Federal Acquisition Management Improvement Act of 1994. Subsequently, S. 1587, some aspects of S. 1982, along with some Administration recommendations, were blended together into a Committee substitute amendment sponsored by Senators Glenn, Roth, Levin, Cohen, and Nunn. The Committee Substitute was reported out of the Governmental Affairs Committee on April 26, 1994. The Act is a comprehensive government-wide procurement reform effort aimed at streamlining the acquisition process by reducing paperwork burdens through revision and consolidation of acquisition statutes to eliminate redundancy, provide consistency, and facilitate implementation.

This law is the culmination of over a decade of legislative and oversight effort by the Governmental Affairs Committee and others to make sense out of the complex process of supplying the federal government with the goods and services it needs to operate. Included in the final product are many recommendations from the Report of the Advisory Panel on Streamlining And Codifying Acqui-

sition Laws pursuant to Section 800 of the National Defense Authorization Act for Fiscal Year 1991 (the so-called 800 Panel) and the "National Performance Review" led by Vice President Gore. Major reforms were made in the areas of acquisition management, electronic commerce, the simplified acquisition threshold, commercial items and pilot programs.

Three joint hearings were conducted on S. 1587 in 1994 by the Senate Governmental Affairs and Armed Services Committees. On June 8, 1994, the bill passed the Senate with an amendment by voice vote. On June 27, 1994, the House passed an amended version by voice vote. The conference report was filed on August 21, 1994 (H. Rept. 103-712). Both houses agreed to the conference report, and on October 13, 1994, the President signed the legislation into law.

The Government Management Reform Act (Public Law 103-356)

Chairman Glenn introduced S. 2170, the Government Management Reform Act, which provides for a more effective, efficient, and responsive government. It requires for the first time that all major Federal agencies produce annual audited financial statements by fiscal 1996, to be followed by governmentwide annual audited financial statement starting in fiscal year 1997. Other important elements of the law include Electronic Funds Transfer of payroll for all new Federal hires, and a Franchise Fund pilot program to determine if the government can reduce costs and duplication on certain administrative services.

The Committee also considered the National Performance Review's omnibus government reform bill, H.R. 3400. The Committee took those provisions in H.R. 3400 under its jurisdiction and, after a hearing on February 23, 1994, moved them as a stand-alone bill, S. 2170, the Government Management Reform Act.

After being favorably reported by the Committee on March 23, 1994, S. 2170 passed the Senate (September 28, 1994) and House (October 4, 1994) and was signed into law by the President on October 13, 1994.

The President John F. Kennedy Assassination Records Collection Extension Act (Public Law 103-345)

H.R. 4569 was necessary due to the unfortunate delays in appointing members to the Assassination Records Review Board, as established pursuant to P.L. 102-526, and also in organizing staff and receiving federal appropriations. The underlying intent of the original bill was to provide the public disclosure of all records pertaining to President Kennedy's assassination. The Board itself is to oversee the identification, collection, review, and release of such pertinent materials. This bill, as amended by the Committee, extends the life of the Review Board until September 30, 1996, with one additional year possible. It also made technical corrections so the Board could organize its staff operations without further delay.

On August 2, 1994, the Committee agreed to amendments to H.R. 4569, offered by Chairman Glenn, and ordered the legislation favorably reported. The Senate passed this version on August 10, 1994, and the House subsequently agreed to H.R. 4569 as amend-

ed. The bill was signed into law by the President on October 6, 1994.

Federal employees sick leave legislation (Public Law 103-388)

H.R. 4361 was a bill to provide that an employee of the Federal government may use sick leave to attend to the medical needs of a family member. The bill also modifies the voluntary leave transfer program with respect to employees who are members of the same family.

After being passed by the House by voice vote on September 19, 1994, H.R. 4361 was referred to the Committee which discharged it on October 7, 1994. That same day, the Senate passed a bill by voice vote with amendment. On October 8, 1994, the House agreed to the Senate Amendment, and on October 22, 1994, the President signed the bill into law.

MEASURES FAVORABLY REPORTED FROM GAC AND PASSED BY THE
SENATE

The Department of the Environment Act

On February 18, 1993, the Committee held hearings on S. 171, legislation introduced by Chairman Glenn to elevate the Environmental Protection Agency (EPA) to Cabinet-level status. On March 24, 1993, the Committee reported out by unanimous voice vote S. 171 as an amendment in the nature of a substitute (S. Rept. 103-38). S. 171 subsequently passed the Senate twice in the 103rd Congress—once, freestanding, and then as an amendment to the reauthorization of the Safe Drinking Water Act. No action was taken by the House during the 103rd Congress.

Reauthorization of the Office of Government Ethics (OGE)

The purpose of S. 1413 was to ensure an effective ethics system throughout the Executive Branch by extending the OGE's authorization for eight years. The bill also provided OGE with gift-acceptance authority and made certain technical changes to the ethics laws.

The Subcommittee on Oversight of Government Management held hearings on April 20, 1994, and the full Committee favorably reported the bill with amendments on June 16, 1994. The bill passed the Senate amended on October 6, 1994. No action was taken by the House in the 103rd Congress.

Paperwork Reduction Act

After a year-long effort, the Committee produced a bi-partisan consensus compromise bill to reauthorize the Paperwork Reduction Act. The bill was a compromise between S. 560 (Senators Nunn and Bumpers) and S. 681 (Senators Glenn and Levin). OMB and GAO staff were active participants in the many meetings and drafting revisions that led to the final bill. GAO very much supported the legislation because of the way it incorporated the lessons of GAO's "IRM Best Practices" study and recommendations. The bill strengthens paperwork clearance and information resources management responsibilities for both OMB and Federal agencies. On the issue of paperwork clearance, the bill addressed the major

business community concern by overturning the Supreme Court decision, *Dole v. United Steelworkers*, to insure that agency information disclosure requirements are cleared by OMB.

The Committee held a hearing on May 19, 1994, and marked-up the bill on August 2, 1994, at which time the Committee unanimously voted to report the bill, in the nature of a Committee substitute to S. 560. The Senate passed the legislation by unanimous consent on October 6, 1994. The Session ended without House action.

Lobbying disclosure and congressional gifts reform legislation

S. 349, The Lobbying Disclosure Act of 1994, would have replaced existing lobbying disclosure laws with a single, uniform statute, covering the paid lobbying of Congress and the Executive Branch on behalf of both domestic and foreign persons. This bill was considered and reported by subcommittee. It was reported by the full Committee and passed the Senate (May 6, 1993) and House (March 24, 1994).

S. 1935, the Congressional Gifts Reform Act was referred to GAC under a unanimous consent agreement on March 17, 1994 and favorably reported by the Committee with an amendment in the nature of a substitute on April 26, 1994. The measure, as reported, prohibited Members and congressional staff, with very limited exceptions, from taking gifts from registered lobbyists and barred all privately funded travel not related to official business.

The full Senate passed the Committee's S. 1935 substitute after incorporating several amendments thereto on May 11, 1994. It was subsequently incorporated in the Conference Report on S. 349, The Lobbying Disclosure Act, to which in modified version the House had earlier added its gift ban language. The House passed the Conference Report on September 29, 1994, however, the Senate was unable to invoke cloture on the motion to proceed to the Conference Report prior to the *sine die* adjournment.

Federal emergency food and shelter program authorization

S. 2218 was to provide authorization of appropriations for the Federal Emergency Food and Shelter Program for Fiscal Years 1995 and 1996. The Committee favorably reported it without amendment on August 2, 1994, and it passed the Senate without amendment on August 10, 1994. No further action was taken on this legislation after its referral to the House Committee on Banking, Finance and Urban Affairs Subcommittee on Housing and Community Development.

MEASURES FAVORABLY REPORTED FROM GAC BUT DIED IN 103RD
CONGRESS

Federal mandate legislation

The purpose of S. 993, introduced on May 21, 1993 was to end the practice of imposing unfunded Federal mandates on State and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations.

On November 3, 1993, the Committee held hearings on the problems and burdens facing State and local governments in implementing Federal mandates, and on April 28, 1994, the Committee held a hearing on Federal mandate reform and relief legislation. On June 16, 1994, the Committee reported out by unanimous voice vote, S. 993 (as an amendment in the nature of a substitute), the Federal Mandate Accountability and Reform Act of 1994. Provisions of S. 1604, were incorporated into S. 993, as reported. S. 1604 was introduced by Chairman Glenn to provide for greater regulatory flexibility for small governments, lessen compliance burdens on small governments, and test innovative regulatory methods.

Federal Employees Fairness Act

S. 404 was introduced by Senator Glenn on February 18, 1993, with ten Senators as original cosponsors, and referred to the Committee on Governmental Affairs. S. 404, as amended by Committee, would have improved the effectiveness of administrative review of Federal employment discrimination claims. On June 24, 1993, the Committee favorably reported the bill by voice vote (S. Rept. 103-167).

Federal disaster preparedness legislation

The Federal Disaster Preparedness and Response Act of 1994, S. 1697, sought to enhance the federal government's ability to prepare for and respond to disasters that overwhelm the ability of States, localities, and volunteer organizations to provide life-sustaining services, shift the emphasis of the Federal Emergency Management Agency (FEMA) to an all hazards, risk-based approach, and to emphasize FEMA's mission to provide for mitigation, preparedness, response, and recovery for all hazards.

On May, 18, 1993, the Committee held a hearing to consider how to improve the government's response to disasters, particularly those causing major devastation. Shortly after this hearing, Senator Barbara Mikulski introduced S. 995, the Federal Disaster Preparedness and Response Act, with Chairman Glenn and others, on a bipartisan basis, as original cosponsors. On November, 19, 1993, Senator Mikulski introduced a revised version, S. 1697. both bills were referred to the Committee.

On August 18, 1994, the Committee considered an amendment offered by Chairman Glenn in the nature of a substitute to S. 1697 and unanimously ordered the legislation to be favorably reported to the Senate (S. Rept. 103-400). Due to the press of other business, the full Senate was unable to consider this legislation prior to its adjournment *sine die*.

Congressional coverage legislation

On September 20, 1994, the Committee met to consider H.R. 4822, the Congressional Accountability Act, which passed the House of Representatives on August 10, 1994. H.R. 4822 was similar to S. 2071, which was introduced by Senator Lieberman and referred to the Committee.

At markup, Senator Glenn proposed an amendment in the nature of a substitute which drew heavily on S. 2071 and H.R. 4822 and was approved by voice vote. It was further amended by the

Committee, and the Committee then voted to report favorably on H.R. 4822 as amended. The bill was reported as of October 3, 1994 (S. Rept. 103-397).

VIII. DESCRIPTION OF MAJOR FULL COMMITTEE HEARINGS

ANNUAL REVIEW OF GOVERNMENT MANAGEMENT

On January 8, 1993, the Committee convened its annual hearing to review the findings in GAO's high risk reports which, in 1993, identified 17 areas especially vulnerable to fraud, waste, abuse, and mismanagement. Specifically, the hearing raised issues ranging from billions in fraud in food stamp and Medicare programs, to contract mismanagement at EPA and the Department of Energy. The sole witness was Charles A. Bowsher, Comptroller General of the United States.

On January 27, 1994 and February 3, 1994, the Committee heard testimony from Mr. Bowsher, and Leon E. Panetta, Director of the Office of Management and Budget (OMB), respectively. The hearings continued the Committee's broad-based annual review of government management, and focused on cost savings, improvements to general and financial management, and the National Performance Review, as ways to make government more effective.

S. 171, THE EPA CABINET LEVEL ELEVATION

On February 18, 1993, the Committee held hearings on S. 171, legislation introduced by Chairman Glenn to elevate the Environmental Protection Agency (EPA) to Cabinet-level status. Testimony supporting the bill was heard from several U.S. Senators as well as The Honorable Carol Browner, Administrator, EPA; Douglas Costle, former Administrator, EPA; Dr. Jay Hair, President, National Wildlife Federation; and Dr. Stephen Gage, President, Cleveland Advanced Manufacturing Program.

PROLIFERATION THREATS OF THE 90'S

On February 24, 1993, the Committee held a hearing to discuss the challenge of curbing the global spread of weapons of mass destruction. The single witness, CIA Director James Woolsey, surveyed weapons developments around the world. The hearing print includes an English translation of a KGB analysis of the global proliferation threat, a report which Chairman Glenn released at the hearing. The hearing print also includes written CIA responses to over 100 questions concerning proliferation developments around the world.

DISPOSING OF PLUTONIUM IN RUSSIA

On March 9, 1993, the Committee held a hearing which addressed accomplishments and setbacks of U.S. efforts to accelerate the dismantlement and destruction of plutonium recovered from Russian nuclear weapons. Testifying at this hearing was Maj. Gen. (ret.) William F. Burns, the Special US Envoy on the Safety, Security and Dismantling of Nuclear Weapons. Joseph E. Kelley of the General Accounting Office (GAO) also testified on GAO's findings concerning the progress of this program.

IMPROVING GOVERNMENTAL ORGANIZATION AND PERFORMANCE

On March 11, 1993, the Committee held a hearing on S. 20, the Government Performance and Results Act, and other legislation proposing to reform the organization of Federal agencies and programs. *Witnesses:* The Honorable Harry Reid, U.S. Senator (D-NV); The Honorable Leon Panetta, Director, Office of Management and Budget (OMB); The honorable Charles Bowsher, Comptroller General of the United States; David Osborne, Author, "Reinventing Government"; Martin Gross, Author, "The Government Racket: Washington Waste Form A to Z"; and Peri Arnold, Professor of Government, Notre Dame University.

HUMAN GENOME DIVERSITY PROJECT

On April 26, 1993, Senator Akaka chaired a hearing which examined a supplemental program of the \$3 billion Human Genome Project, the Human Genome Diversity Project. This project is designed to preserve genetic information from diverse ethnic and aboriginal populations, many of which are in danger of losing their genetic identity. The information thus preserved may have anthropological and biomedical value. Witnesses included experts from the National Science Foundation, National Institutes of Health, Department of Energy (DOE), Office of Technology Assessment (OTA), Stanford University, and the University of California at Berkeley.

S. 185, THE HATCH ACT REFORM AMENDMENTS OF 1993

The Committee held two days of hearings on S. 185 on April 27 and 30, 1993. Over the two days, oral testimony was received from: James B. King, Director, Office of Personnel Management (OPM); David H. Rosenbloom, The National Academy of Public Administration's (NAPA); Bernard Rosen, Distinguished Adjunct Professor in Residence, The American University; Marvin H. Morse, The Federal Bar Association; David Burckman, Organization of Former Internal Revenue Service Executives; and David Denholm, President, Public Service Research Council.

FEDERAL REGULATION OF MEDICAL RADIATION USES

This hearing, on May 6, 1993, examined a number of gaps and inadequacies in Nuclear Regulatory Commission's (NRC) and Food and Drug Administration's (FDA) ability to regulate medical radiation. The Committee's investigation and subsequent hearing resulted in a Memorandum of Understanding between the two agencies to improve this regulation as well as a review by the National Academy of Sciences of NRC's medical use program. *Witnesses:* Ivan Selin, Chair, NRC; Dr. D. Bruce Burlington, Director, Center for Devices and Radiological Health, FDA; and Aubrey V. Godwin, Chair, Conference for Radiation Control Program Directors.

REBUILDING FEMA: PREPARING FOR THE NEXT DISASTER

On May 18, 1993, the Committee held a hearing to consider how to improve the government's response to disasters, particularly those causing major devastation. At the hearing, the GAO presented its final report ("Disaster Management: Improving the Nation's Response to Catastrophic Disasters"; GAO/RCED-93-186),

prepared at the request of Chairman Glenn and other Members. In addition, the Committee heard from NAPA on its extensive study prepared for Congress, entitled "Coping with Catastrophe: Building an Emergency Management System to Meet People's Needs in natural and Manmade Disasters". These comprehensive studies found that: the Federal Government's response plan was deficient in being able to provide victims of disasters swift and effective assistance due, in part, because it could not adequately assess the nature and extent of damage; the Federal Government lacks explicit authority to prepare in advance of a disaster when there is warning; and State and local governments do not have sufficient training and funding to enable them to respond to catastrophic disasters.

Witnesses: J. Dexter Peach, Assistant Comptroller General, GAO; R. Scott Fosler, President, NAPA; The Honorable Curt Weldon, Member of Congress; James Lee Witt, Director of the Federal Emergency Management Agency (FEMA); Dr. Robert C. Sheets, Director, National Hurricane Center; Dale W. Shipley, Deputy Director, State of Ohio Emergency Management Agency and Past President of the National Emergency Management Association (NEMA); and Dr. Richard T. Sylves, Professor of Political Science, University of Delaware.

S. 404, THE FEDERAL EMPLOYEES FAIRNESS ACT

The Governmental Affairs Committee held a hearing on S. 404, the Federal Employee Fairness Act, on May 26, 1993. *Witnesses:* The Honorable Barbara A. Mikulski, U.S. Senator; Nancy Kingsbury, Director, Federal Human Resource Management Issues, General Government Division, GAO; The Honorable Dennis DeConcini, U.S. Senator; John N. Sturdivant, National President, American Federation of Government Employees; Robert M. Tobias, National President, National Treasury Employees Union; Joseph M. Sellers, Washington Lawyers Committee for Civil Rights Under the Law. In addition, a panel of current Federal employees testified regarding their experience with the EEO complain process system.

EVALUATION OF THE TRIAD

On June 10, 1993, the Committee held a hearing at which GAO Assistant Comptroller General Eleanor Chelimsky presented detailed testimony based on a GAO report, which found that "there exist systematic disparities between estimates or claims that have been made about the triad systems and what the data actually show. We found this to be the case whether the issue was the likely cost and performance of upgrades, the actual performance of current systems, or the likely offensive or defensive threats to these systems from the former Soviet Union." Secretary of Defense William Perry testified in response to the GAO findings.

EPA CONTRACT MANAGEMENT PROBLEMS

On June 22, 1993, a hearing was held which continued Senator Glenn's examination of EPA contracting abuses. The hearing was based on reports issued by the Inspector General and focused on EPA contracts that were noncompetitive, had possible conflict of interest problems, or were for nonessential services, including re-

searching Congressional oversight of contract management issues and teaching senior level officials how to testify before Congress. Questions were raised regarding the lack of cooperation by parts of EPA with the Inspector General and his staff—some labs were ordered to “remove and shred” documents before the auditors arrived. *Witnesses:* EPA Administrator Carol Browner, and EPA Inspector General John Martin.

DOD FINANCIAL MANAGEMENT

On July 1, 1993, the Committee examined the results of financial statement audit work performed by GAO, the Inspector General for the Department of Defense (DOD IG), and the Air Force Auditor General in compliance with the Chief Financial Officers Act. Among other things, the audits found that the Army had made unauthorized payroll payments in one month to 2,100 individuals totaling \$6.1 million; contractors voluntarily returned to the Defense Finance and Accounting Service (DFAS) \$751 million in overpayments in a six-month period; DFAS was paying \$6 million a year to a public accounting firm to straighten out its books; and the Navy had nearly \$13 billion in disbursements that had not been matched to invoices. *Witnesses:* Charles A. Bowsher, Comptroller General of the United States; Derek Vander Schaaf, Acting DOD IG; Lt. Gen. Merle Freitag, Controller of the Army; John Beach, Principal Deputy Assistant Secretary of the Air Force for Financial Management; Albert Conte, Acting Assistant Secretary of the Navy for Financial Management; and Alvin Tucker, Deputy Comptroller of the Department of Defense.

On April 12, 1994, Senator Glenn held a followup hearing. Recently released audit reports from the DOD IG and GAO indicated that DOD's problems were even more significant than originally thought. For example, as of January 1994, the Army had made about \$8 million in unauthorized payments to soldiers, including repeated payments to 76 deserters and six ghost employees. Also, during the first nine months of Fiscal Year 1993, returned contractor overpayments had grown to \$1.4 billion—these are payments for which contractors had never sent the Pentagon a bill. Overall, DOD was found to have between \$32 billion and \$41 billion in undistributed disbursements. And finally, 31 percent of the debts canceled for Desert Storm/Desert Shield veterans did not meet the legal requirements for cancellation. *Witnesses:* Mr. Bowsher, Mr. Vander Schaaf, and John Hamre, Comptroller of the Department of Defense.

Finally, on July 12, 1994, the Committee held a hearing to further review the audited financial statements and financial management practices of DOD, specifically looking for signs of progress. *Witnesses:* Mr. Vander Schaaf; Francis E. Reardon, Auditor General of the Army; Jackie R. Crawford, Auditor General of the Air Force; Robert Hale, Assistant Secretary of the Air Force for Financial Management; Helen T. McCoy, Assistant Secretary of the Army for Financial Management; and Richard Keevey, Deputy Comptroller, DOD.

AUDITING THE AUDITORS: WASTE AND ABUSE AT IRS AND CUSTOMS?

On August 4, 1993, the Committee held a hearing which revealed that 368 employees of the Internal Revenue Service (IRS) had inappropriately accessed and browsed the taxpayer records of friends, relatives, neighbors, and celebrities—some employees appeared to have fraudulently manipulated some of that tax data. The hearing also raised financial audit findings, such as that IRS lacked controls to ensure that proper payments were made to its vendors. GAO also testified that the Customs financial audit revealed it may be losing billions in revenue because it accepts without checking the information reported by importers. In addition, Customs was unable to account for much of its seized property, including 1,850 pounds of marijuana. *Witnesses:* Charles A. Bowsher, Comptroller General of the United States; and Margaret Milner Richardson, Commissioner of Internal Revenue.

ENVIRONMENTAL PROBLEMS IN THE FEDERAL GOVERNMENT

As part of its continuing effort to address and assess the Federal government's overall liabilities, the Committee convened on September 21, 1993 to hear testimony from the Government's top cleanup officials. While the large cleanup costs for DOD and DOE installations are well known, the Committee released a report outlining a number of potentially serious environmental problems with the Department of Interior. As a result of the hearing, OMB formed a policy level Federal facility task force to examine ways to improve the Federal government's environmental cleanup strategy. *Witnesses:* Alice M. Rivlin, Deputy Director, OMB; Steven Herman, Assistant Administrator, EPA; Thomas P. Grumbly, Assistant Secretary for Environmental Restoration and Waste Management, DOE; Sherri Wasserman Goodman, Deputy Under Secretary for Defense (Environmental Security), DOD; and Michael Heyman, Deputy Assistant Secretary, Policy Management and Budget, Department of Interior.

THE FEDERAL WORKFORCE RESTRUCTURING ACT OF 1993

On October 19, 1993, the Committee held a hearing on S. 1535, the Federal Workforce Restructuring Act of 1993. The witnesses at the hearing included: James B. King, Director, OPM; Philip Lader, Deputy Director for Management, OMB; Edwin Dorn, Assistant Secretary for Personnel and Readiness, DOD.

FEDERAL MANDATES ON STATE AND LOCAL GOVERNMENTS

The Committee held three hearings on the problems and burdens facing State and local governments in implementing Federal mandates. On November 3, 1993, the Committee heard testimony from several U.S. Senators, mayors and other local officials.

On April 28, 1994, the Committee held a hearing on Federal mandate reform and relief legislation. In addition to testimony from more state and local officials, the Committee also heard from Dr. Robert Reischauer, Director, Congressional Budget Office; Sally Katzen, Administrator, Office of Information and Regulatory Affairs (OIRA), OMB; Justin Dart, former Chairman, President's Committee on Employment of People with Disabilities; Dr. John

Kincaid, Executive Director, Advisory Committee on Intergovernmental Relations (ACIR); and Robert Adler, Senior Attorney, Natural Resources Defense Council (NRDC).

Finally, on April 5, 1994, Senator Dorgan chaired a related hearing of the full Committee in Minot, ND. The hearing discussed Federal mandates on both local governments and private businesses. Witnesses mentioned aspects of health care reform, metric conversion requirements and environmental regulations as particularly burdensome Federal mandates. Suggested remedies included greater regulatory flexibility and congressional action on several mandate reform bills. All witnesses were local officials or private businessmen in North Dakota.

NAFTA JOB CLAIMS: TRUTH IN STATISTICS?

On November 10, 1993, the Committee held a hearing which examined the methodology used by the Department of Commerce in estimating the gains in U.S. jobs and exports as a result of the North American Free Trade Agreement. Testimony was heard from Dr. Paul London, Acting Under Secretary of Commerce for Economic Affairs.

HUMAN RADIATION AND OTHER SCIENTIFIC EXPERIMENTS: THE FEDERAL GOVERNMENT'S ROLE

Following a number of revelations about Cold War radiation experiments on unsuspecting U.S. citizens (including a GAO report released by Senator Glenn which discussed a number of "intentional releases" of radiation at DOE and DOD facilities) the Committee met on January 25, 1994 to review the status of major agencies' efforts to get to the bottom of their historical role in these experiments. This hearing resulted in a Presidential Memorandum being issued to all executive agencies instructing agency heads to review their policies to ensure that any human experiment be conducted with strict adherence to appropriate informed consent guidelines. The hearing also prompted DOE to make information publicly available on all current radiation experiments.

Witnesses: The Honorable Hazel O'Leary, Secretary, DOE; The Honorable Jesse Brown, Secretary, Department of Veterans Affairs; Dr. Harold Smith, Assistant to the Secretary For Atomic Energy, DOD; Dr. Donald A. Henderson, Deputy Assistant Secretary for Health and Science, Department of Health and Human Services; H. Jack Geiger, M.D., City University of New York Medical School; Steven Piantadosi, M.D., Ph.D., Johns Hopkins School of Hygiene and Public Health; Francis X. Masse, New England Medical Center; and Mrs. Emma Craft, Nashville, TN.

A subsequent hearing was held on December 1, 1994, when the Committee examined the progress made by the Advisory Committee on Human Radiation Experiments after six months of searching for and evaluating the Government's Cold War radiation experiments. The hearing found that a complete investigation of these experiments will likely take much longer than originally planned. *Witnesses:* Victor S. Rezendes, GAO; Ruth Faden, Ph.D. Chair, Advisory Committee on Human Radiation Experiments; and Tara O'Toole, M.D., Assistant Secretary for Environment, Safety and Health, DOE.

H.R. 3400, GOVERNMENT REFORM AND SAVINGS ACT

On February 23, 1994, the Committee heard testimony from Alice Rivlin, Deputy Director, OMB, and Charles A. Bowsher, Comptroller General of the United States, to discuss legislation to implement recommendations of the National Performance Review.

S. 1587, THE FEDERAL ACQUISITION STREAMLINING ACT OF 1993

A series of three hearings (February 24, March 10 and 17, 1994) were held jointly with the Senate Armed Services Committee on the topic of procurement reform and the Section 800 Panel's recommendations. These hearings served as a critical part of the process which ultimately led to the passage of this legislation. Witnesses over the three hearings included: Steven Kelman, Administrator, Office of Federal Procurement Policy; John M. Deutch, Under Secretary of Defense for Acquisition and Technology, DOD; Roger Johnson, Administrator, General Services Administration (GSA); Robert Murphy, Acting General Counsel, GAO; Derek Vander Schaaf, Deputy Inspector General, DOD; and numerous representatives of industry and associations.

FEDERAL POLICIES GOVERNING THE INTRODUCTION OF NON-INDIGENOUS PLANT AND ANIMAL SPECIES

On March 11 and 15, 1994, Senator Akaka chaired this hearing exploring the extent to which alien pests adversely impact agriculture, the economy, and the environment, using Hawaii as a special example. The focus was on how the U.S. can develop a more comprehensive, effective policy to address this problem. Witnesses were academic experts, state officials, and representatives from OTA, the Departments of the Interior, Commerce and Agriculture and environmental associations.

CONTRACT AND FINANCIAL MANAGEMENT AT DOE

On March 17, 1994 the Committee examined a number of aspects concerning DOE's contract reform initiative. The hearing closely investigated DOE's use of affiliate contractors, and whether such contracts were conducted with appropriate controls. The hearing also examined weak property management practices at the Department.

Witnesses: Victor S. Rezendes, GAO; John C. Layton, Inspector General, DOE; and William H. White, Deputy Secretary, DOE.

FEDERAL TELECOMMUNICATIONS POLICY

On May 3, 1994, the Committee convened to examine issues affecting government-wide telecommunications, specifically, civilian and DOD needs under the current FTS 2000 contract and the present and future DOD contracts, and the benefits and disadvantages of aggregating government-wide needs into one integrated system. In this context, the hearing addressed many issues including market dynamics, flexibility of contract requirements, systems interoperability, systems integrators, and emerging technologies.

Witnesses: Jack L. Brock, Director, Information Resources Management/Policies and Issues Group, Accounting and Information Management Division, GAO; General Emmett Page, Jr., (Ret.), Assistant Secretary for Command, Control, Communications and Intel-

ligence, DOD; and Robert J. Woods, Associate Administrator for FTS 2000, GSA.

HEALTH CARE INFORMATION MANAGEMENT

On May 6, 1994, the Committee held a hearing to consider implications of government information management in health care reform (automation, computer security, privacy). *Witnesses:* Sally Katzen, Administrator, OIRA, OMB; Nan Hunter, Deputy General Counsel, HHS; Leslie Aronovitz, Associate Director, Health Finance and Policy, GAO; Joel E. Gimpel, Blue Cross/Blue Shield Association; Lois Gargotto, Director of Systems Development, HUMANA, Inc.; Carolyn Kelly, Director, Government and Public Affairs, American Payroll Association; Donald T. Lewers, M.D., American Medical Association; and Janlori Goldman, Director, Technology and Law Project, American Civil Liberties Union.

BOMB PREVENTION VS. BOMB PROMOTION: EXPORTS IN THE 1990'S

On May 17, 1994, the Committee held a hearing focusing on past U.S. exports of nuclear dual-use goods and technologies to several countries with illicit nuclear weapons programs. Witnesses from the GAO and six Federal agencies participated in this hearing, which released data showing that the U.S. approved over a seven-year period some \$29 billion in exports of nuclear dual-use goods going to controlled countries, including some \$350 million that went to sensitive nuclear facilities in those countries. The GAO report was published as "Nuclear Nonproliferation: Export Licensing Procedures for Dual-Use Items Need to be Strengthened," NSIAD-94-119, April 1994.

REGULATORY REVIEW AND PAPERWORK REDUCTION

On May 19, 1994, the Committee held a hearing to consider legislation to reauthorize the Paperwork Reduction Act, and to oversee the Administration's conduct of regulatory review under Executive Order 12866. *Witnesses:* Gene Dodaro, Assistant Comptroller General, Accounting and Information Management Division, GAO; Sally Katzen, Administrator, OIRA, OMB; C. Boyden Gray, Chairman, Citizens for a Sound Economy; Robert Coakley, Executive Director, Council on Regulatory and Information management and Lorraine Lavet, Director of Domestic Policy, U.S. Chamber of Commerce (Co-chairs, Paperwork Reduction Act Coalition); David Vladeck, Director, Public Citizen Litigation Group; and Gary Bass, Executive Director, OMB Watch.

RADIOACTIVE CONTAMINATION AT SEWAGE TREATMENT PLANTS

This hearing, held on June 21, 1994 jointly with the House Subcommittee on Environment, Energy and Natural Resources, examined the failure of the NRC's regulations regarding the disposal of radioactive material into the nation's sanitary sewer systems. *Witnesses:* The Honorable Louis Stokes (D-OH); Jim Wells, GAO; Ivan Selin, Chairman, NRC; Mike Cook, EPA; James Payne, Assistant Attorney General, State of Ohio; Jane Harf, Deputy Director for Low Level Waste, Ohio EPA; and Erwin J. Odeal, Northeast Ohio Regional Sewer District.

CONGRESSIONAL COVERAGE LEGISLATION: APPLYING LAWS TO
CONGRESS

On June 29, 1994, the Committee conducted a hearing on this topic. The hearing addressed six bills. Four bills apply various employment, information, and other laws to Congress had been referred to the Committee: S. 2071 (introduced by Senator Lieberman), S. 579 (introduced by Senator Smith), S. 103 (introduced by Senator Nickles), and S. 29 (introduced by Senator McCain). In addition, the Committee on Rules and Administration had recently voted to report out S. 1824, containing provisions to apply certain employment-related laws to the Senate. Finally, S. 2194 (introduced by Senator Mikulski) addressed personnel management by the Architect of the Capitol.

Witnesses included several U.S. Senators and Congressmen; representatives from other legislative branch agencies including OTA, GAO, Library of Congress, Government Printing Office, Architect of the Capitol, and Senate Legal Counsel; representatives from the Occupational Safety and Health Administration, and Employment Standards Administration in the Department of Labor, and the Federal Labor Relations Authority, Office of Senate Fair Employment Practices, and several scholars on this subject.

HIGH RISKS AND EMERGING FRAUD: IRS, STUDENT LOANS AND HUD

On July 19, 1994, the Committee held a hearing to examine high risk problems and wasteful operations at these three agencies. At the hearing, Senator Glenn disclosed that more than 500 IRS employees had been investigated for unauthorized borrowing of taxpayer files—a higher figure than the agency had previously admitted. As a result, the IRS agreed to take a number of actions for the 1995 filing season, including slowing down certain refunds and checking the criminal records of tax preparers, in an effort to reduce fraud. This hearing also led the Department of Housing and Urban Development (HUD) to seek more information from its regions to better assess and cope with the extent of HUD's problems with equity skimming, a very costly issue. *Witnesses:* Margaret Milner Richardson, Commissioner of Internal Revenue; Nicholas Retzensos, Assistant Secretary for Housing, HUD; James Thomas, Inspector General, Department of Education; and Susan Gaffney, Inspector General, HUD.

FINANCIAL PROBLEMS: ARE AGENCIES GETTING BETTER?

On July 28, 1994, the Committee held a hearing to review the audited financial statements and financial management practices of Federal agencies. As a result of this hearing, the Customs Service tightened measures related to handling drug seizures, the State Department committed to hiring a Chief Financial Officer (CFO), and OPM agreed to strengthen the role of the CFO. *Witnesses:* Gene Dodaro, Assistant Comptroller General, GAO; John Payne, Assistant Inspector General, Department of State; Larry Eisenhart, Acting CFO, Department of State; Morgan Kinghorn, IRS, Department of Treasury; Patrick McFarland, Inspector General, OPM; and William Flynn III, Acting Director, Retirement and Insurance Group, OPM.

FULL VOTING REPRESENTATION IN CONGRESS FOR THE DISTRICT OF
COLUMBIA

On August 4, 1994, the Committee convened to hear testimony regarding the voting representation in Congress and proposals regarding statehood for the District of Columbia. Witnesses included several Members of Congress; The Honorable Sharon Pratt Kelly, Mayor, Washington, D.C.; several other District of Columbia officials and representatives; The Honorable Charles McC. Mathias, former Senator from Maryland and the former Chairman of the Senate District of Columbia Committee and Governmental Affairs Subcommittee on General Services, Federalism and the District of Columbia; and several academic experts in this area.

IX. PRESIDENTIAL NOMINATIONS

During the 103rd Congress, the Committee received a total of 48 Presidential nominations, 41 of which were favorably reported by the committee and confirmed by the Senate. The following nominations were favorably reported by the committee and confirmed by the Senate:

Leon Panetta of California, to be Director, Office of Management and Budget,

Alice M. Rivlin of the District of Columbia, to be Deputy Director, Office of Management and Budget,

Russell Canan of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia,

James B. King of Massachusetts, to be Director, Office of Personnel Management,

James Lee Witt of Arkansas, to be Director, Federal Emergency Management Agency,

Sally Katzen of the District of Columbia, to be Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget,

Philip Lader of South Carolina, to be Deputy Director for Management, Office of Management Budget,

Lorraine Allyce Green of the District of Columbia, to be Deputy Director, Office of Personnel Management,

Roger W. Johnson of California, to be Administrator of General Services,

Benjamin Leader Erdreich of Alabama, to be a Member and Chairman of the Merit Systems Protection Board,

Einar V. Dyhrkopp of Illinois, to be a Governor of the United States Postal Service,

Joseph Swerdzewski of Colorado, to be General Counsel, Federal Labor Relations Authority,

Kermit Hall of Oklahoma, to be a Member of the Assassination Records Review Board (new position),

John R. Tunheim of Minnesota, to be a Member of the Assassination Records Review Board (new position),

William R. Joyce of New Jersey, to be a Member of the Assassination Records Review Board (new position),

Anna K. Nelson of the District of Columbia, to be a Member of the Assassination Records Review Board (new position),

Steven Kelman of Massachusetts, to be Administrator, Office of Federal Procurement Policy, Office of Management and Budget,

Henry Graff of New York, to be a Member of the Assassination Records Review Board (new position),

Edward Jay Gleiman of Maryland, to be a Commissioner of the Postal Rate Commission,

Rafael Diaz of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia,

Rhonda Reid Winston of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia,

Judith Bartnoff of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia,

Zoe Alice Bush of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia,

John Koskinen of the District of Columbia, to be Deputy Director for Management, Office of Management and Budget,

Phyllis Nachimoff Segal of Massachusetts, to be a Member of the Federal Labor Relations Authority,

Vanessa Ruiz of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals,

Martha Riche of Maryland, to be Director, Bureau of the Census, Department of Commerce,

Alice M. Rivlin of the District of Columbia, to be Director, Office of Management and Budget,

George J. Opfer of Virginia, to be Inspector General, Federal Emergency Management Agency,

Harvey G. Ryland of Florida, to be Deputy Director, Federal Emergency Management Agency,

James H. Atkins of Arkansas, to be a Member of the Federal Retirement Thrift Investment Board,

Scott B. Lukins of Washington, to be a Member of the Federal Retirement Thrift Investment Board,

Susan Gaffney of Virginia, to be Inspector General, Department of Housing and Urban Development (sequentially referred),

June Gibbs Brown of Hawaii, to be Inspector General, Department of Health and Human Services (sequentially referred),

Charles Masten of Virginia, to be Inspector General, Department of Labor (sequentially referred),

Michael Bromwich of the District of Columbia, to be Inspector General, Department of Justice (sequentially referred),

Roger C. Viadero of Virginia, to be Inspector General, Department of Agriculture (sequentially referred),

Luise S. Jordan of Maryland, to be Inspector General, Corporation for National and Community Service (sequentially referred, new position),

Martin Dickman of Illinois, to be Inspector General, Railroad Retirement Board (sequentially referred),

Valerie Lau of California, to be Inspector General, Department of the Treasury (sequentially referred), and

Jeffrey Rush of Kansas, to be Inspector General, Agency for International Development (sequentially referred).

The following 7 nominations failed of confirmation under paragraph 6 of rule XXXI of the Standing Rules of the Senate:

G. Edward DeSeve of Pennsylvania, to be Controller, Office of Federal Financial Management, Office of Management and Budget,

Father Robert F. Drinan of Massachusetts, to be a Member of the Civil Liberties Public Education Fund Board of Directors,

Susan Hayase of California, to be a Member of the Civil Liberties Public Education Fund Board of Directors,

Cherry T. Kinoshita of Washington, to be a Member of the Civil Liberties Public Education Fund Board of Directors,

Elsa H. Kudo of Hawaii, to be a Member of the Civil Liberties Public Education Fund Board of Directors,

Yeiichi Kuwayama of the District of Columbia, to be a Member of the Civil Liberties Public Education Fund Board of Directors, and

Don T. Nakanishi of California, to be a Member of the Civil Liberties Public Education Fund Board of Directors.

X. ACTIVITIES OF THE SUBCOMMITTEES

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Chairman: David Pryor

Ranking Minority Member: Ted Stevens

I. Hearings

The Federal Services, Post Office and Civil Service Subcommittee held the following hearings during the 103rd Congress:

Oversight of the U.S. Postal Service (March 18, 1993). The Subcommittee reviewed information presented by the Postmaster General. *Witnesses:* The Honorable Marvin Runyon, Postmaster General, U.S. Postal Service (USPS), accompanied by other USPS officers.

Federal Licensing Procedures for Importing and Selling Firearms (March 26, 1993). The Subcommittee heard from the Bureau of Alcohol, Tobacco, and Firearms about its efforts to enforce statutes regarding weapons import/export. *Witnesses:* Stephen E. Higgins, Director, Bureau of Alcohol, Tobacco, and Firearms; Don Cahill, Legislative Director, Fraternal Order of Police, on behalf of Dewey R. Stokes; and Richard Gardiner, Legislative Counsel, Institute for Legislative Action, National Rifle Association of America; accompanied by Stephen Halbrook, Consulting Counsel.

Federal Performance: Getting Results (July 14, 1993). The Subcommittee heard from a variety of witnesses about successful efforts to improve the efficiency and effectiveness of Federal programs and Federal employees. *Witnesses:* Bernald Kulik, Assistant Administrator for Disaster Assistance, Small Business Administration; Professor Harold Seidman, Center for the

Study of American Government, Johns Hopkins University; Asa Whitaker, Eastman Chemical Company; Michael Schaffner, Manager, Classification Division, Pension Benefit Guaranty Corporation; and Gerald Carson, Analyst, Internal Revenue Service.

Operational Testing: Ensuring Better Weapons for Our Troops (March 22, 1994). The Subcommittee reviewed plans by the Department of Defense (DOD) to revise current operational test and evaluation efforts and heard from the General Accounting Office (GAO) about the efficacy of those proposed changes. *Witnesses:* Colleen Preston, Deputy Under Secretary of Defense Acquisition Reform, DOD; Louis J. Rodrigues, Director, Systems Development and Production Issues, National Security and International Affairs Division, GAO; and Russell Murray, former Assistant Secretary of Defense.

Annual Report of the Postmaster General (March 24, 1994). The Subcommittee reviewed information presented by the Postmaster General. *Witnesses:* The Honorable Marvin Runyon, Postmaster General and Chief Executive Officer, USPS, accompanied by other USPS officers.

A Review of Arms Export Licensing (June 15, 1994). The Subcommittee reviewed a GAO report prepared at the Chairman's request regarding the effectiveness of export "watchlists" maintained by the Departments of State and Commerce. *Witnesses:* James F. Wiggins, Associate Director, Acquisition Policy, Technology and Competitiveness Group, National Security and International Affairs Division, GAO; William A. Reinsch, Under Secretary of Commerce for Export Administration; and Thomas T. McNamara, Acting Assistant Secretary, Bureau of Political-Military Affairs, Department of State.

Child Support Enforcement: The Federal Role (July 20, 1994). The Subcommittee heard from Federal, state, and local officials responsible for ensuring that non-custodial parents fully comply with their legal responsibilities. *Witnesses:* Mary Jo Bane, Assistant Secretary, Department of Health and Human Services (HHS) accompanied by David Ross, Deputy Director, Office of Child Support Enforcement, Department of Health and Human Services; Judy Jones Jordan, Administrator, Arkansas Office of Child Support Enforcement; Pat Addison, Program Specialist, Division of Child Support Enforcement, Commonwealth of Virginia; Nancy Ebb, Senior Staff Attorney, Children's Defense Fund; and Joseph F. Delfico, Director, Income Security Issues, Health, Education and Human Services Division, GAO.

Labor-Management Relations at the Postal Service (November 30, 1994). Witnesses discussed a two-volume GAO report reviewing problems and prospects for the improvement of labor-management relations at the Postal Service. *Witnesses:* Mike Motley, Associate Director, Government Business Operations, General Government Division, GAO; Marvin Runyon, Postmaster General, USPS; Moe Biller, President, American Postal Workers Union; Scottie Hickes, President, National Rural Letter Carriers Association; William Quinn, President,

National Postal Mail Handlers Union; and Vince Palladino, President, National Association of Postal Supervisors.

II. Legislation

The following bills were considered by the Subcommittee and became public law:

S. 622/H.R. 2970, reauthorizes the Office of Special Counsel (OSC) and Merit Systems Protection Board (MSPB) for 3 years (through 1997), putting the OSC and the MSPB on the same authorization schedule. It also clarifies the rules governing OSC's disclosure of information about whistleblowers; requires the OSC to provide detailed information to employees when their cases are terminated; establishes a 240-day time limit for OSC to make a determination regarding whistleblower cases; requires agencies to inform Federal employees of the rights and remedies available to them under the Whistleblower Protection Act. (Public Law 103-424)

S. 1130, Federal Employees Leave Sharing Amendments Act of 1993 made leave bank/leave transfer demonstration programs permanent law. (Public Law 103-103)

S. 1131, temporarily extended the proxy premium formula used to compute the Government's share of premiums under FEHBP. The bill passed the Senate on June 28, 1993 and was incorporated into OBRA 1993. (Public Law 103-66)

S. 1624, Thrift Plan Withdrawal Simplification Act streamlined and standardized the withdrawal options available to Federal employees/retirees. It passed the Senate November 24, 1993 and was incorporated into Public Law 103-226, the Federal Workforce Restructuring Act.

S. 2040, treats employees of Federally Funded Research and Development Centers like other Federal employees for the purposes of Intergovernmental Personnel Act transfers. The bill was incorporated into Public Law 103-337, the DOD Authorization bill.

H.R. 512, FEGLI Living Benefits with amendment, allows Federal employees diagnosed with a terminal illness (less than 9 months to live) to withdraw all or a portion of their life insurance benefits. The amendment ensured that employees of the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS) will not lose their health insurance as the OCC and OTS switch back into the Federal Employees' Health Benefits Program. (Public Law 103-409)

H.R. 588, Abe Murdock Post Office Naming. (Public Law 103-51)

H.R. 1779, Jerry Litton Post Office Naming passed with two amendments: VA SES last move home technical correction which corrects a date in a prior statute, and SES widows and orphans last move home which allows otherwise eligible families to move home after the death of a Federal employee. (Public Law 103-388)

H.R. 2056, Sam Perry Post Office Naming. (Public Law 103-410)

H.R. 2294, Graham Purcell Post Office Naming. (Public Law 103-385)

H.R. 2751, leave bill, was incorporated into Public Law 103-329, Treasury Postal Appropriations. It allows Federal employees to use leave for employees serving as bone marrow or organ donors and allows Federal employees to use sick leave for purposes relating to the adoption of a child.

H.R. 3197, Gus Yatron Post Office Naming. (Public Law 103-315)

H.R. 3499, DOD Overseas Teachers' Pay with amendment, extends leave transfer/leave bank authority to DOD overseas teachers. The amendment prevents political appointees from receiving bonuses beginning June 1 of a presidential election year until January after the election. (Public Law 103-425)

H.R. 3694, Child Abuse Garnishment Act, allows the garnishment of Federal annuity if a court so orders as result of child abuse. (Public Law 103-358)

H.R. 3839, Roy Wheat Post Office Naming. (Public Law 103-341)

H.R. 3840, Sam Hall Federal Building and Courthouse. (Public Law 103-289)

H.R. 3984, John Longo Post Office Naming. (Public Law 103-453)

H.R. 4177, Candace White Post Office Naming. (Public Law 103-342)

H.R. 4190, Alvaro de Lugo Post Office Naming with two amendments. The first amendment, S. 1983, Postal Reemployed Annuitants, allows the Postal Service to rehire retired postal workers to fill in as substitutes. This was particularly helpful to rural carriers who often have trouble finding replacements when they fall ill or go on vacation. The second amendment, FEGLI assignment authority, allows for irrevocable assignments of life insurance to assist employees in planning their estate. This brings FEGLI in line with laws pertaining to other life insurance. (Public Law 103-336)

H.R. 4191, Aubrey Ottley Post Office Naming. (Public Law 103-343)

H.R. 4361, Family Friendly Leave Act, allows Federal employees to use between 5 and 13 days of their paid sick leave for bereavement purposes or to tend to the illnesses of family members. (Public Law 103-388)

H.R. 4595, Marian Oldham Post Office Naming. (Public Law 103-460)

S. Con. Res. 60, Sense of the Senate stating that the Postal Service should issue a stamp honoring Jewish War Veterans. The following bills were considered by the Subcommittee or Committee but did not become public law:

H.R. 2194, private relief Lannen; marked up September 20, 1994; no floor action.

H.R. 3285, George Young Post Office Naming, approved by Senate Governmental Affairs Committee with 2 amendments (contract post office closing appeal rights which would have allowed towns to appeal the closing of their contract post offices to the Postal Rate Commission, and FLRA pay adjustment which would have equalized the pay of Members of FLRA to that of similar small agencies); no floor action taken.

III. Reports

The following reports were issued at the request of the Chairman of the Subcommittee:

Defense Force Management: Challenges Facing DOD as It Continues to Downsize Its Civilian Work Force, GAO/NSIAD-93-123 (February 1993)

Federal Performance Management: Agencies Need Flexibility in Designing Their Systems, GAO/RCED-93-57 (February 1993)

Energy Management: Improving Cost-Effectiveness in DOE's Support Services Will Be Difficult, GAO/GGD-93-88 (March 1993)

Public Affairs: Personnel Engaged in Public and Congressional Affairs in Federal Agencies, GAO/GGD-93-71FS (March 1993)

Resolution Trust Corporation: Summary of GAO Products, GAO/GGD-93-128 (July 1993)

Postal Service: 1992 Olympic Sponsorship—Profit or Loss Is Unknown, GAO/GGD-93-89 (July 1993)

Army Materiel Command: Providing Early Retirement Incentives in 1990 Could Have Saved Money, GAO/NSIAD-93-233 (August 1993)

Office of Technology Assessment: Medical Records Privacy (October 1993)

Revolving Fund: New Tuition Pricing Policy Is Under Study by OPM

Government Contractors: Measuring Costs of Service Contractors Versus Federal Employees, GAO/GGD-94-95 (March 1994)

OPM Revolving Fund: OPM Sets New Tuition Pricing Policy, GAO/GGD-94-120 (April 1994)

Postage Meters: Risk of Significant Financial Loss But Controls Are Being Strengthened, GAO/GGD-94-148 (May 1994)

Tax Administration: Information on IRS Executive Relocations and Travel Matters, GAO/GGD-94-140 (June 1994)

U.S. Postal Service: Proposed Policy to Accept Credit and Debit Cards Makes Sense Conceptually, GAO/GGD-94-154 (June 1994)

Export Controls: License Screening and Compliance Procedures Need Strengthening, GAO/NSIAD-94-178 (June 1994)

Ballistic Missile Defense: Records Indicate Deception Program Did Not Affect 1984 Test Results, GAO/NSIAD-94-219 (July 1994)

U.S. Postal Service: Labor-Management Problems Persist on the Workroom Floor, GAO/GGD-94-201A (September 1994).

SUBCOMMITTEE ON GENERAL SERVICES, FEDERALISM AND THE
DISTRICT OF COLUMBIA

Chairman: Jim Sasser

Ranking Minority Member: John McCain

Hearings, bills, investigations

Investigation into Government mismanagement of Federal civilian aircraft

After being informed in August 1991 by a Nashville business owner that despite existing technology, the Federal government's aircraft—numbering at least 1,300—were being mismanaged, Senator Sasser opened an investigation which ultimately found that the cost to taxpayers was a waste of tens—possibly hundreds—of millions of dollars.

Efforts included requesting Inspector General William Barton of the General Services Administration (GSA) to conduct the first ever comprehensive audit of these aircraft and assess GSA's management of the planes; and urging OMB to strengthen its regulations to ensure that all flights on all Federal civilian aircraft are documented and held accountable to public scrutiny and to improve it enforcement of aircraft regulations.

In March of 1993, the Subcommittee issued a report for the President on the status of Federal civilian aircraft management including criticisms of the current system and recommendations on how to improve efficiency. The President responded by letter that he would make aircraft management a priority.

Administrator Johnson wrote Senator Sasser on July 29, 1993, informing him of actions taken in response to the Senator's recommendations. GSA has now compiled an accurate count of all non-military Federal aircraft and how they are used. Moreover, all aircraft owning agencies are currently working together, at the insistence of Senator Sasser, to incorporate a government-wide computer inventory to document up to the minute aircraft usage and expenditures.

As a result of the Subcommittee's investigation of all Federal civilian aircraft, the Inspector General of the U.S. Department of Agriculture (USDA) conducted a review of the Forest Service's airplanes and learned that at least 28 former military planes had been illegally transferred through the Forest Service to private contractors. The contractors were supposed to have used the planes for fighting fires on Federal lands, but subsequent investigation revealed that less than half of the planes were even outfitted to fight fires, much less used to do so. For instance, one contractor took the aircraft he received for free and leased it back to the allies to transport equipment and supplies in Kuwait during Operation Desert Shield/Storm for a profit of almost a million dollars in spite of the end use regulations that prevented the planes from being flown abroad. Other contractors scrapped the airplanes they received and sold the parts on the open market for cash. A middleman who arranged the transfer of airplanes received cash and aircraft worth over a million dollars for his fee.

The Justice Department is currently reviewing the transfer arrangement for criminal wrongdoing and the USDA Inspector General, at Senator Sasser's request, is considering action to recover the planes or the proceeds derived from them.

Comprehensive study of waste, fraud and abuse at GSA

On September 30, 1992, GAO completed the most comprehensive ever investigation of GSA, instigated at the request of Senator Sasser in mid-1991. The GAO study found that GSA was prone to unnecessary losses in virtually every aspect of its duties—including building and maintaining Federal structures, managing government automobiles and assuring other Federal agencies of the cheapest possible goods and services from the private sector.

Vice President Gore's National Performance Review echoed the concerns raised in the Subcommittee report and called for a massive overhaul of a number of GSA operations. Most particularly, the Administration and the Governmental Affairs Committee completed work on an overhaul of the Federal government's contract procurement process, the Federal Acquisition Streamlining Act.

In response to the increased scrutiny brought about by the Subcommittee report, GSA suspended all office space procurements not yet under construction (or for leases, in the contract phase) to review each and every one to ensure cost-efficiency.

Fraud in the Federal Workers' Compensation Programs

In January of 1992, responding to a report by the Inspector General of TVA citing massive abuse in its Workers' Compensation Program, Senator Sasser called for a government-wide inquiry into the efficiency of the Federal workers compensation program.

After correspondence with the TVA IG, Senator Sasser introduced legislation to plug two major loopholes which allowed payments of thousands of dollars in fraudulent and unnecessary workers' compensation claims. This bill would prevent the collection of workers' compensation benefits if the beneficiary (1) was convicted of workers' compensation fraud or (2) was incarcerated (with an exception for dependents relying on the payments). The provisions of this legislation were included as a proposal for reducing government waste in Vice President Gore's National Performance Review.

Discouraged by the slow pace of reform in the workers' compensation area, Senator Sasser wrote to the President's Council on Integrity and Efficiency (PCIE), the Administration's office that oversees the Inspectors General, to recommend they play a more active role in solving the problem.

Investigation of GSA lease procurement of Federal office space for the Federal Communications Commission

As Chairman of the Subcommittee which oversees the General Services Administration, the government's "real estate agent," Senator Sasser requested that the GAO examine GSA's controversial decision to cancel the consolidation of FCC headquarters. The project, which was over five years in planning and would save millions of taxpayer dollars, was reportedly canceled over the FCC's unreasonable refusal to relocate. After GAO reported that it would cost a million dollars to redo the project, plus unknown costs of

delay and interim lease expenses, the government agreed to reconsider its decision.

Passage of a provision that promotes private resale of government automobiles resulting in substantial government savings

At the urging of Senator Sasser, the 1994 appropriations bills for general government amended current law to clear the way for more private auction companies to sell off unneeded government vehicles. Figures show that such companies handle the sales more quickly than the government and on average, net the taxpayer over \$1,000 more per vehicle. As a result of this amendment, GSA placed several contracts for private auction services which will realize several million dollars in savings to the government.

Commissioned GAO report criticizing the General Services Administration's poor job of collecting default payments from poor performing vendors

On June 15, 1994, Sasser released a report prepared by GAO at his request detailing the terrible job GSA has done collecting default payments from poor performing vendors. Of 40 defaulted contracts surveyed by GAO, costs either had been only partly recovered or had not been recovered at all. In many cases, GSA had not even identified what costs were recoverable, much less made an attempt to recover them. GSA agreed there are weaknesses in its recovery program and began working to make corrections.

Assisted Corrections Corporation of America (CCA) with its contract maintaining District of Columbia prisoners and with a Bureau of Prisons contract for a private Federal facility

At the request of CCA, Senator Sasser, through the Subcommittee on General Services, contacted the District government to express concern about their withdrawal of prisoners from CCA facilities in Tennessee while the District was under court order to reduce its prison population. Citing budget concerns, the District intended to make room for its returning prisoners by paroling current inmates. Presently, the District has removed its prisoners from every facility with which it was contracting except CCA. In the 1993 District of Columbia appropriations bill Senator Sasser secured conference language stating it was the belief of the conferees that the District had been well-served by its contracting arrangements with private facilities (CCA) and that such a relationship should continue until the District had adequately dealt with its overcrowding problem.

In May of 1991, the Bureau of Prisons (BOP) awarded the contract for a 1000 bed private prison to a company that was unable to fulfill its contract obligations. After several contacts by Senator Sasser including a letter to the Director of BOP on April 29, 1993, the Bureau canceled the award and rebid the contract allowing CCA and other competitors another opportunity to win the award. The contract was reawarded on May 17, 1993, yet once again the winning contractor failed to perform. Senator Sasser wrote to BOP again on September 17, 1993 requesting a status report on the sec-

ond contract, the reasons for the delay, and BOP's plan for dealing with the problem. The BOP responded that the contract may once again need to be rebid, or in the alternative, that the contract award may be passed along to the second ranked bidder from the most recent award. Either option would give CCA and other bidders another opportunity to win this important pilot project in the privatization of a Federal prison.

Intervention with Bureau of Prisons on behalf of Corrections Management Affiliates (CMA)

At the request of CMA, Senator Sasser through the Subcommittee on General Services, contacted the BoP on September 16, 1993 to request that CMA be allowed to participate in negotiations with Bop on behalf of CMA's client, the Town of Hinton, OK. CMA managed a Hinton, OK correctional facility which leased beds to BoP but had been excluded from bargaining on behalf of Hinton by BoP. Senator Sasser was informed by BoP that CMA would be allowed to participate in the meeting.

National Women's Health Resource Center

This bill was reported from the Subcommittee, and Congress eventually passed it to authorize the National Women's Health Resource Center in Washington, D.C. The spotlight was growing on the need for greater research into women's health problems. The Center will be run by the Congressionally-chartered and nationally known Columbia Hospital for Women; it will provide world-class research on women's health. The bill passed with unanimous Democratic and Republican support.

Letter to Attorney General requesting scrutiny of a request by the Pharmaceutical Manufacturer's Association (PMA) to be exempt from certain anti-trust liability

On March 12, 1993, Senator Sasser wrote to Attorney General Reno requesting that the Department of Justice give careful scrutiny to a request by the PMA for a "business letter" asserting that the Department would forego an anti-trust prosecution of PMA members for certain price-fixing agreements. The PMA claimed such agreements would eventually lead to reduced prescription drug prices for the consumer. Senator Sasser expressed doubt that "voluntary" price restraints by the PMA would be sufficient in light of the fact that prescription drug prices increased almost three times faster than normal inflation in the 1980s.

Introduction of S. 1606, The Federal Mandate Funding Act of 1993

On November 1, 1993 in response to appeals from over 100 cities and towns, Senator Sasser introduced S. 1606, The Federal Mandate Funding Act of 1993, which would have provided relief to state and local governments for the costs they incur in implementing Federal legislation. Because of the dramatic increase in the number and amount of Federal mandates on state and local governments over the last decade, many local governments were finding it increasingly difficult to meet their own needs while also

keeping up with Federal funding requirements. This legislation was referred to the Subcommittee.

This legislation (1) required Congress, before it passed significant Federal mandates in the future, to state specifically how much Federal reimbursement or cost sharing is authorized, and in no case will such reimbursement be less than 20 percent; (2) further imposed an actual moratorium on new mandates on state and local governments for two years to assess the impact of current mandates already enacted but not yet in effect; and (3) created a fund to furnish additional mandate relief to hard-pressed state and local governments to supplement any Federal cost-sharing already in place.

Criticized the Department of Health and Human Services (HHS) for not moving quickly enough to make its human radiation records public

On May 27, 1994, Senator Sasser wrote a letter to Donna Shalala, Secretary of the Department of Health and Human Services, concerning HHS's delay in locating and making public its thousands of pages of records on human radiation experiments. The letter noted the Department of Energy and other agencies were moving forward by making their records public, but that HHS appeared to be lagging behind. Senator Sasser requested that Shalala take steps to review the Department's files and disclose its human radiation records as soon as possible.

Commissioned a comprehensive audit by GAO of TVA's power needs and debt load

In June of 1994, Senator Sasser requested a GAO audit to determine whether the Tennessee Valley Authority's current power supply options (as coal, gas, nuclear, etc.) are adequate to meet the Valley's power needs in the foreseeable future. Since TVA is in the process of bringing some of its nuclear plants back on line, it was an appropriate time to make certain TVA and Congress understand the proper mix of available power sources to make the most efficient use of each. Senator Sasser also requested that GAO examine TVA's debt limit and determine whether TVA is handling its debt in a manner most beneficial to ratepayers.

National Law Enforcement Officers Memorial

Senator Sasser successfully assisted in resolving a dispute involving the Washington Metro, which was holding up completion of this Memorial (located in Judiciary Square in Washington, D.C.). Writing to Metro's Board of Supervisors, Senator Sasser won Board approval of a design which incorporates Metro's handicapped elevators into the Memorial's overall design. The Memorial walls contain the names of over 42,000 law enforcement officers killed in the line of duty in our country's history, dating back to 1794.

Significant National Capital Planning Commission Actions and Senator Sasser's vote as Chairman of the Subcommittee and a Member of the Commission

National Black Revolutionary War Veterans' Memorial: Senator Sasser's vote on the 12-member Commission was to approve final

designs for this monument, clearing the way for groundbreaking. This is a monument authorized by Congress, to be paid for entirely with private funds, which will be placed nearby a memorial to the Framers of the U.S. Constitution in Washington, D.C.

Transfer of Federal Land (Children's Island) to the District of Columbia: Senator Sasser's vote was to *deny* the transfer of 46 acres of Federally-owned land to the District government. These are artificial islands in the Anacostia river in Washington, D.C., which were created by the U.S. Army Corps of Engineers at Federal taxpayer expense. Senator Sasser, through his representative on the Commission, objected to such an uncontrolled giveaway of Federal property, especially since the District planned to turn control of it over to private developers for a vaguely-described "theme park" which would charge admission to the public. The proposed transfer is currently under congressional investigation.

Permission to Use Federal Land for a New Redskins Stadium: Senator Sasser voted with a majority of the Commission to require the U.S. Department of the Interior, which controls the land under R.F.K. Stadium, to do more studies of alternatives such as renovating the N.F.L. team's existing stadium. Tentative agreements between team owner, Jack Kent Cooke, and the District government would have allowed Cooke to build his stadium on adjacent Federal land and keep all parking fees and various other profits from use of this land.

Federal Detention Center in Washington, D.C.: The Subcommittee has been studying Federal Detention Centers in other major U.S. cities to determine the feasibility of placing a similar facility in Washington, D.C. Such centers are used to house Federal prisoners awaiting trial, or post-trial offenders awaiting permanent sentencing. DOJ estimates that Washington will need a 1,000-bed facility within the next few years; District officials would likely want to locate the center in a neighboring jurisdiction, but Justice officials prefer keeping the facility in Washington.

SUBCOMMITTEE ON PERMANENT INVESTIGATIONS

Chairman: Sam Nunn

Ranking Minority Member: William V. Roth, Jr.

The following is a list of activities of the Permanent Subcommittee on Investigations during the 103rd Congress in the areas of hearings, legislation and reports.

I. Historical Background

The Permanent Subcommittee on Investigations was originally authorized by Senate Resolution 189 on January 28, 1948. At that time, the Subcommittee was part of the Committee on Expenditures in the Executive Departments. In 1952, the parent committee's name was changed to Committee on Government Operations and in early 1977 to the Committee on Governmental Affairs. The Subcommittee's records and jurisdiction actually antedate its creation since it was given custody of the jurisdiction of the old Special Committee to Investigate the National Defense Program (the

so-called War Investigating Committee), chaired by Senator Harry S Truman during World War II.

The Subcommittee has had seven chairmen: Senators Homer Ferguson of Michigan (1948), Clyde R. Hoey of North Carolina (1949–1952), Joseph R. McCarthy of Wisconsin (1953–1954), John L. McClellan of Arkansas (1955–1972), Henry M. Jackson of Washington (1973–1978), Sam Nunn of Georgia (1979–1980 and 1987–1994), and William V. Roth of Delaware (1981–1986).

Until 1957, the subcommittee's jurisdiction was principally the investigation of waste, inefficiency, impropriety, and illegality in government operations. It has been expanded considerably since then. In 1957—based on information developed by the Subcommittee—the Senate passed a Resolution establishing a Select Committee on Improper Activities in the Labor or Management Field chaired also by Senator McClellan. This Committee was composed of eight Senators—four of whom were drawn from the Subcommittee on Investigations and four from the Committee on Labor and Public Welfare. The Select Committee was in operation for three years sharing office space, personnel, and other facilities in common with the Permanent Subcommittee.

Upon the expiration of the Select Committee in early 1960, its jurisdiction and files were transferred to the Subcommittee, greatly enlarging the Subcommittee's investigative authority in the labor-management area.

The Subcommittee's jurisdiction was broadened further in future years. In 1961, authority was granted for inquiries into syndicated or organized crime. The famous Valachi hearings were held in 1963. In the wake of riots and civil disturbances that marked the summer of 1967, a Resolution was approved directing the Subcommittee to investigate the causes and to recommend corrective action. In January 1973, the National Security Subcommittee was merged with the Subcommittee. With this, the Subcommittee's jurisdiction was further enlarged to include inquiries concerning the adequacy of national security staffing and procedures, relations with international organizations, technology transfer, and related matters. And, in 1974, jurisdiction was conferred to investigate the government operations involving the control and management of energy resource and supplies.

Armed with this broad jurisdictional mandate, the Subcommittee has initiated investigations into a wide variety of topics during the past decade ranging from child pornography to espionage. A significant number of these investigations have involved a review of organized crime activities, including labor racketeering, fraudulent insurance plans, and newly emerging criminal groups. The Subcommittee has also spent considerable effort reviewing all aspects of narcotics trafficking, including money laundering, Federal drug enforcement, and drug abuse. In recent years, the Subcommittee has devoted increasing attention to allegations of waste, fraud, and abuse in government programs.

II. Hearings

1. Oversight of the Insurance Industry: Blue Cross/Blue Shield—National Capital Area—January 26 and 27, 1993

The Subcommittee continued its series of investigations into the management and regulation of various Blue Cross and Blue Shield (BCBS) plans by examining the BCBS plan for the National Capital Area (BCBS-NCA), also known as Group Hospitalization and Medical Services, Incorporated (GHMSI). The investigation of BCBS-NCA resulted in the fourth set of hearings in the series of BCBS investigations by the Subcommittee.

The investigation into GHMSI, which processed over \$1 billion in premiums and claims annually, was spawned by the testimony of the Superintendent of Insurance for the District of Columbia, Robert M. Willis, on July 2, 1992 at the Subcommittee's initial hearing regarding mismanagement within the BCBS system. Superintendent Willis informed the Subcommittee that due to provisions contained in BCBS-NCA's original 1939 Congressional Charter, he was precluded from effectively regulating this Plan. As a result of this testimony, Senator Nunn introduced legislation on July 29, 1992, which was signed into law on October 5, 1992, amending the Congressional Charter and subjecting BCBS-NCA to regulation by the District of Columbia. Because this amendment included only a one-year provision, Senator Nunn later introduced the amendment as a permanent measure and it was signed into law on November 1, 1993.

Also as a result of Superintendent Willis' testimony on July 2, 1992, the Subcommittee launched an extensive investigation of BCBS-NCA which resulted in two days of public hearings on January 26 and 27, 1993. At these hearings, the Subcommittee staff and insurance regulators for Virginia and the District of Columbia described many of the same problems identified in the West Virginia and Maryland plans examined in prior hearings. These problems included a proliferation of 45 subsidiary companies incurring cumulative losses in excess of \$100 million; excessive spending, exorbitant salaries and fringe benefits for executives, and questionable travel and entertainment expenses; inadequate oversight by the Board of Trustees; inadequate regulation by the District of Columbia, Maryland and Virginia insurance authorities; and inadequate oversight by the BCBS Association.

The Subcommittee also heard testimony from Benjamin Giuliani, then President and CEO of the Plan, from Peter J. O'Malley, Chairman of the Board of Trustees of BCBS-NCA, and from Charles Duvall, M.D., former Chairman of the Board of Trustees. Additionally, the Subcommittee subpoenaed the appearance and testimony of Joseph P. Gamble, the recently retired President and CEO of the Plan, who invoked his Fifth Amendment privilege against self-incrimination and declined to respond to Subcommittee questioning.

2. Corruption in Professional Boxing, Part II—March 10 and April 1, 1993

The Subcommittee continued the first Senate investigation into professional boxing in over 30 years, following up on hearings held during the 102nd Congress. Those hearings revealed widespread and systemic problems in the boxing industry, including ineffective regulation by state regulatory bodies, widespread unfair and corrupt practices and continued organized crime influence.

The Subcommittee's hearing on March 10, 1993, focused on current health and safety issues in professional boxing, as well as the role of television in the boxing industry. These hearings revealed that perhaps the most important area in which the current system of state regulation of professional boxing has proven ineffective is protection of the health and safety of boxers. The patchwork system of state regulation of professional boxing results in wide variations from state to state both in health and safety rules themselves and in the enforcement of those rules. As a result, it is the boxers who suffer. The Subcommittee heard testimony from a panel of physicians, who work closely with state boxing regulators, endorsing the need for uniform minimum national health and safety standards for professional boxing. That goal was also supported by the representatives of the television industry who testified at the hearing.

Congressman Bill Richardson also testified about the problems currently facing professional boxing, including health and safety concerns, and the need for Federal regulation of the sport, particularly regarding uniform minimum national health and safety standards. Congressman Richardson specifically advocated the need to adopt the Professional Boxing Corporation Act of 1993, legislation that Senator Roth and Congressman Richardson introduced in both the Senate and the House, respectively (S. 1189 and H.R. 2607).

The Subcommittee's hearing on April 1, 1993, revealed the continuing influence of organized crime on professional boxing and the failure of state regulators to effectively eliminate that influence. The Subcommittee's investigation identified three currently active world class boxers with significant ties to organized crime figures as case studies of how the current regulatory structure has failed to keep organized crime out of boxing. The three boxers are former World Boxing Council welterweight champion James "Buddy" McGirt, former International Boxing Federation super-middleweight champion Iran Barkley, and former World Boxing Association cruiserweight champion Bobby Czyz. Salvatore "Sammy the Bull" Gravano, former underboss of the Gambino organized crime family, testified that a member of the Gambino crime family "owned a piece" of Buddy McGirt, and that Alfred Certissimo, McGirt's manager of record, was an associate of the Gambino family. Both McGirt and Certissimo testified before the Subcommittee, as did alleged organized crime figures who were found to have ties to boxers Barkley and Czyz; two of those individuals exercised their Fifth Amendment rights and did not respond to Subcommittee questions.

3. Oversight of the Insurance Industry: Blue Cross/Blue Shield—Empire Plan (New York)—June 25 and 30, 1993

The Subcommittee continued its investigation into management and regulatory weaknesses within the Blue Cross and Blue Shield (BCBS) system by examining the country's largest BCBS plan, Empire BCBS of New York. The Subcommittee's June 25 and 30, 1993 hearings, the fifth in this series, revealed that Empire insured over 8 million subscribers and collected over \$6 billion in premiums in 1992, yet experienced financial losses of over \$250 million in the two years preceding the Subcommittee's investigation.

The causes of Empire's financial instability reflected many of the weaknesses exhibited by other BCBS plans examined by the Subcommittee, namely: mismanagement, including exorbitant executive salaries and excessive spending; poor financial performance by subsidiary companies; inadequate oversight by the Plan's Board of Directors, which was chaired by the Plan's Chief Executive Officer; inadequate regulation by the State Insurance Department, and inadequate oversight by the BCBS Association.

Among the most critical allegations was the Subcommittee staff's testimony that Empire's Chief Executive Officer, Albert A. Cardone, and Chief Financial Officer, Jerry Weissman, knowingly misrepresented to New York State regulators the Plan's underwriting gains/losses in certain segments of its business. Two former employees of Empire also testified that when they became aware of the discrepancy between the figures provided to the state regulators and those maintained by Empire's financial department, they confronted both Cardone and Weissman yet nothing was done to rectify the situation.

Several of Empire's executives appeared before the Subcommittee on June 25, 1993, including Albert A. Cardone and Jerry Weissman. Weeks before the Subcommittee's hearings, Cardone had resigned as Chairman and CEO of Empire. Weissman, when questioned about the inaccurate figures provided to the State Insurance Department, denied any wrongdoing and explained that the discrepancy had been the result of using two different accounting methods. Subsequently, on October 18, 1994, Jerry Weissman was indicted by a grand jury sitting in the Southern District of New York on three counts of perjury in testimony given before the Subcommittee and one count of obstructing the Subcommittee's investigation of Empire.

4. Abuses in Federal Student Grant Programs—October 27 and 28, 1993

As part of its review of fraud, abuse and mismanagement in student aid programs within the Department of Education, the Subcommittee held two days of hearings on the largest direct Federal student aid program, the Pell Grant Program. The Pell Grant program is the foundation of all student aid and is designed to provide financial aid to qualified undergraduate students who need it the most. In the 1991–1992 school year, 3.7 million students shared in \$6.79 billion in Pell Grant awards. The Subcommittee found, however, gross abuse of the Pell Grant program which went unchecked by the Department of Education.

The Pell Grant program relies on schools to properly document, calculate, and verify the needs of eligible students and depends on the Department of Education to properly oversee the schools to assure that the program is not being abused or defrauded. Unlike Federally guaranteed student loans, Pell Grants are administered and disbursed by the schools where the students are enrolled and are not required to be repaid. The Subcommittee staff found that the Department of Education continued to recognize and provide Pell Grant funds to school which did not meet the statutory requirements for institutions of postsecondary education. Additionally, a review by the U.S. General Accounting Office criticized the capability of the Department of Education to effectively manage the multi-billion-dollar student aid programs.

Senator Claiborne Pell (D-RI), who sponsored the 1973 legislation creating this grant program and for whom the program was subsequently named, expressed his concern over the abuse the Subcommittee staff uncovered. In addition to poor oversight exercised by the Department of Education, the Subcommittee's investigation also found: schools which received Pell Grants for students who told the Subcommittee staff that they never attended the courses nor the schools; schools which paid students to attend classes so that the school could collect and pocket Pell Grant funds as profit; students who attend classes for money paid to them by the school, not to attain any educational or vocational goal; and schools which, in contravention of law, falsified or manufactured records to enable ineligible students to obtain Pell Grants.

Just prior to the Subcommittee's hearing, the Department of Education took action against 20 schools in the New York City area after determining that they failed to meet the statutory criteria for participation in the Federal student financial aid programs. Some of those schools had been participating in the Pell Grant program since the early 1970s.

5. Criminal Aliens in the United States—November 10 and 16, 1993

During the 102nd Congress, the Subcommittee's investigation of Asian organized crime revealed that alien smuggling can be more profitable for Asian organized crime syndicates and less risky than drug smuggling, indicating a growing problem with criminal aliens (i.e., aliens in the United States who commit crimes in this country). Based on those findings, the Subcommittee conducted an investigation and held hearings on criminal aliens in the United States. The hearings revealed widespread problems with criminal aliens with the need for change at all levels of the current system.

On November 10, 1993, the Subcommittee heard testimony from a panel of criminal aliens each of whom confirmed what the Subcommittee's investigation found; namely that, even in the rare instances when the system finally works and a criminal alien is deported, reentry into the United States is so easy that it makes the whole process appear to be a giant exercise in futility. Despite the fact that reentry into the U.S. after being deported is a felony, the Subcommittee found that these cases are not a high priority for Justice Department prosecutors, who frequently fail to prosecute violators.

The Subcommittee's hearings showed that the current system for dealing with criminal aliens rarely works effectively, with problems at every level. The Federal deportation laws for criminal aliens set out an irrational, lengthy, complex process far beyond what is due already convicted criminals. In addition, the Immigration and Naturalization Service (INS), the agency responsible for enforcing the immigration laws and for deporting criminal aliens, is lacking the resources and the management priorities necessary to effectively deal with this problem. Finally, the Subcommittee's investigation found evidence of local governments refusing to cooperate with the INS, making an already difficult job that much harder.

At the Subcommittee's November 16, 1993, hearing, INS Commissioner Doris Meissner outlined the priorities and goals for the INS criminal aliens program, including plans for an automated case tracking and reporting system and a fingerprint-based automated identification system. The Subcommittee also heard testimony from representatives of the Executive Office of Immigration Review (EOIR), which is responsible for conducting deportation hearings for criminal aliens. These immigration judges confirmed the obstacles presented by current Federal immigration law in effectively dealing with the problem of criminal aliens. These judges also testified that, while the EOIR established the Institutional Hearing Program (IHP) to provide expeditious hearings for alien inmates at designated correctional institutions, this program is under-utilized. For example, on any given day, the Los Angeles county jail will house approximately 2,200 criminal aliens; yet the INS may present only six cases a day to the institutional hearing program there. This investigation led to the introduction by Senator Roth of the Criminal Alien Control Act of 1994 (S. 1934).

6. International Organized Crime and Its Impact On The United States—May 25, 1994

In keeping with its historical interest in the problem of organized crime, the Subcommittee examined international security implications arising from the dramatic increase of organized crime in the states of the former Soviet Union. At the hearing held on May 25, 1994, the Subcommittee heard testimony from a distinguished panel of law enforcement experts from the United States, Germany and Russia.

Lois Freech, Director of the Federal Bureau of Investigation, announced to the Subcommittee that the FBI planned to establish a legal attaché office in Moscow, marking the first time that the Department of Justice would be stationing full-time law enforcement officers in Russia. Hans-Ludwig Zachert, President of the German Federal Criminal Police, also testified before the Subcommittee regarding his efforts in combating organized crime and the threat presented to Germany by the increase of organized crime in the former Soviet Union. Finally, the Subcommittee heard from General Mikhail Yegorov, First Deputy Minister and head of the Organized Criminal Control Department of the Russian Ministry of Internal Affairs.

The testimony underscored the increasing strength of Russian organized crime groups, including evidence of their growing presence in the United States and joint activity between Russian and Amer-

ican organized crime groups. These witnesses told the Subcommittee that the fear of this criminal activity has spread not only to the United States but to many of Russia's neighbors, including Germany and Poland. Most significantly, the Subcommittee received evidence that Russian organized crime groups may begin trafficking in nuclear materials and weapons of mass destruction. Recognizing all these problems Director Freeh testified that it was critical that U.S. law enforcement authorities cooperate with their counterparts in Russia and Eastern Europe in order to effectively combat these organized crime groups.

7. Oversight of the Insurance Industry: Blue Cross/Blue Shield—Federal Contracts—August 5 and 8, 1994

In its sixth and final hearings on the Blue Cross and Blue Shield (BCBS) system, the Subcommittee examined the performance and oversight of the BCBS Association in its contracts with the Federal Government. These contracts allow BCBS plans across the country to provide health insurance coverage to over 40 percent of the Federal employees, dependents and annuitants through the Federal Employees Health Benefits Program (FEHBP) and to process over 90 percent of all Medicare Part A and 65 percent of all Medicare Part B claims. As a result, the Federal Government pays the BCBS system over \$1.5 billion annually in administrative costs.

The Subcommittee found that BCBS' relationship with the FEHBP and Medicare programs was marked by some of the same problems uncovered in the investigations of several individual BCBS plans, including mismanagement and inadequate oversight by responsible regulatory authorities.

The Subcommittee staff found that problems in the BCBS Federal contracts included a multi-layered, complex and costly organizational structure; excessive administrative costs; improperly withheld provider discounts by some plans; poor customer service; unreconciled enrollment allowing former Federal employees to continue to receive BCBS benefits; and unreasonable and exorbitant expenses for conferences, gifts and salaries being charged to the Federal contracts.

The Office of Personnel Management (OPM) is responsible for oversight of the BCBS contract with the Federal Employees Health Benefits Program. The Health Care Financing Administration (HCFA) of the Department of Health and Human Services is vested with regulating the performance of BCBS plans as Medicare contractors. Representatives of each of these agencies testified before the Subcommittee regarding their oversight and regulatory efforts. Both OPM and HCFA representatives told the Subcommittee that they had met with uncooperative attitudes and evasive tactics on the part of the BCBS Association and the individual participating BCBS plans, and OPM, in particular, faced considerable difficulty in effective regulation as a result.

Bernard R. Tresnowski, President and Chief Executive Officer of the BCBS Association, testified that the Association, in response to this investigation, had instituted reforms within the Blue Cross and Blue Shield system that were intended to address many of the Subcommittee's concerns.

III. Legislation

The Subcommittee does not have legislative authority, but its investigations contributed to the development of the following legislative initiatives:

S. 285—Medicare Secondary Payer Reform Act of 1993 (by Senator Roth). This legislation is the result of hearings held by PSI on July 11 and 12, 1990, on health care fraud in the Medicare Secondary Payer (MSP) program. Senator Roth introduced different legislation on this subject in the previous two Congresses. The Subcommittee's investigation revealed the need to better identify Medicare-eligible individuals who have private insurance so that Medicare pays secondary and the private insurance pays primary. Federal Government estimates indicate that losses of between \$400 million to \$1 billion annually are occurring as a result of the failure of this program. This legislation amends the Federal W-2 tax form adding one additional line regarding employers health insurance coverage. This bill would also establish a data bank for the collection and processing of this health insurance information. S. 285 was introduced on February 3, 1993 and was referred to the Senate Finance Committee. No further action was taken on this legislation during the 103rd Congress.

S. 1091—The International Organized Crime Control Act of 1994 (by Senator Roth). This legislation contains a variety of measures, most of which were recommended by the PSI report of December 1992 on "The New International Criminal and Asian Organized Crime." The report followed an extensive PSI investigation and five days of hearings on Asian organized crime and the new international criminal. S. 1091 was introduced on June 10, 1993 and was referred to the Senate Foreign Relations Committee. No further action was taken on this legislation during the 103rd Congress.

S. 1189—The Professional Boxing Corporation Act of 1993 (by Senator Roth, additional cosponsors Senators Biden, McCain and Dorgan). Very similar to the legislation Senator Roth introduced in the 102nd Congress, this bill would create a nonprofit government corporation, known as the Professional Boxing Corporation (PBC). The PBC would be fully funded by the professional boxing industry; other than an initial startup loan which would be repaid, no taxpayers' dollars would be used. The PBC would be responsible for working with the state boxing authorities to develop and enforce uniform rules and minimum health and safety standards for all professional boxing matches held in the United States. The PBC would also develop and maintain a centralized boxing database to which states would have access containing boxers' won-loss records, medical data, and other relevant information. The PBC would have full authority to investigate improper activities in boxing for the protection of the boxers' health and safety and to reduce corruption and unfairness. S. 1189 was introduced on July 1, 1993, and was referred to the Senate Committee on Commerce, Science and Transportation. No further action was taken on this legislation during the 103rd Congress.

S. 1213—A bill to amend the charter of Group Hospitalization and Medical Services Inc., (by Senator Nunn, additional cosponsor: Senator Roth). In 1939, Congress chartered Group Hospitalization,

Incorporated, the predecessor of the District of Columbia's Blue Cross and Blue Shield Plan, now known as Group Hospitalization and Medical Services, Incorporated, and exempted the corporation from the vast majority of the District's insurance code. In the mid-1980's, the D.C. Blue Cross and Blue Shield plan had grown to include 42 subsidiary corporations, some of which were based in Europe and the Far East. All of the subsidiary operations were operated without the benefit of effective regulation by the District's insurance department, and the operation of many of the subsidiaries resulted in severe financial losses for the Plan. Realizing that the D.C. Blue Cross and Blue Shield Plan lacked effective regulatory oversight due to the exemption contained in the 1939 charter, Senator Nunn acted to remove the exemption. In 1992, Senator Nunn introduced S. 3092, which was included as a one-year provision in the District's appropriations bill (H.R. 6056), which was signed into law on October 5, 1992 as Public Law 102-382. In 1993, Senator Nunn introduced S. 1213 to make the amendments contained in S. 3092 permanent. S. 1213 was accepted as amendment No. 696 to the 1994 appropriations bill for the District of Columbia, and was signed into law on November 1, 1993 as Public Law 103-127.

Amendment to S. 1607—The Violent Crime Control and Law Enforcement Act of 1993 (by Senator Roth, additional cosponsors: Senators Grassley, Thurmond, Coats, Hatch, Nickles, Heflin, Murkowski, Sasser, Kassebaum, Feinstein, Gramm, Conrad and Hutchison), expressing the Sense of the Senate to confirm original intent of Congress in enacting child pornography provisions of the Child Protection Act of 1984, and express sense of the Congress in opposition to the Supreme Court brief in the case of *Knox v. U.S.* The Justice Department in the *Knox* brief asked the Supreme Court to set aside a judgment upholding the second conviction of a man who had previously been convicted under the Federal child pornography laws. The Justice Department told the Supreme Court that the appeals court had used "an impermissibly broad standard" to interpret and apply the law. The Administration maintained that the appeals court should be ordered to reconsider the case under a narrower standard. In 1984, the Congress passed anti-child pornography legislation intended to stamp out the business of child pornography and stop sexual exploitation of children. In 1986 after a two-year probe, the Subcommittee issued a report on the relationship between child pornography and the sexual abuse of children. The Subcommittee found that child pornography plays a central role in child molestations by pedophiles. This amendment was adopted by a vote of 100-0 on November 4, 1993.

Amendment to S. 1607—The Violent Crime Control and Law Enforcement Act of 1993 (by Senator Roth), expressing the sense of the Senate encouraging the development of a United Nations Convention on Organized Crime and urging the U.N. to provide additional authority and resources to the U.N. Commission on Crime Prevention and Criminal Justice. Senator Roth introduced this amendment as a result of the Subcommittee's investigation of Asian organized crime. Following the Subcommittee hearings, the Subcommittee issued a report in December 1992 concluding that there have been substantial increases in Asian organized criminal activity in the U.S., facilitated by modern development in transpor-

tation and communications, relaxed travel restrictions and the greatly increased volume of international trade. This necessitates greater cooperation among nations to prosecute and eliminate organized criminal groups. The current role of the United Nations is limited with respect to international organized crime by lack of a binding international convention. This amendment was adopted by voice vote on November 5, 1993 and was signed into law as part of Public Law 103-322 on September 13, 1994.

Amendment to S. 1607—The Violent Crime Control and Law Enforcement Act of 1993 (by Senator Roth), requiring State and local governments to cooperate with the INS regarding enforcement of immigration laws by providing information on aliens who are not lawfully present in the U.S. During the course of the Subcommittee's investigation of criminal aliens, the Subcommittee found that several major cities have, either by law or policy, adopted practices of non-cooperation with the INS. These provisions vary widely but are generally referred to as sanctuary, refuge, or non-cooperation policies. These policies hamper the INS's efforts to identify and process criminal aliens and generally restrict the effectiveness of any governmental response to the criminal alien problem. Senator Roth's amendment would require that, consistent with the Supremacy Clause of the U.S. Constitution, State and local governments provide information to duly authorized officials of the INS when such information is necessary to enforce our nation's immigration laws. The amendment also calls for the Attorney General, together with the Commissioner of the INS, to report to Congress and the President six months after this legislation is enacted regarding the level of state and local cooperation with the INS and to identify those jurisdictions that have adopted policies of non-cooperation with the INS. The amendment prohibits those jurisdictions identified by the Attorney General's report from receiving Federal funds appropriated by this pending legislation until their non-cooperation policy is discontinued. This amendment was adopted by a vote of 93-6 on November 9, 1993.

S. 1934—Criminal Alien Control Act of 1994 (by Senator Roth). The legislation follows a PSI investigation and two days of hearings regarding the problem of criminal aliens in the United States. The PSI investigation found that criminal aliens are a serious and growing threat to public safety and are costing our criminal justice system hundreds of millions of dollars. Criminal aliens account for 25 percent of the Federal prison population and represent the fastest growing segment of that population. This legislation streamlines the deportation process for criminal aliens by, among other things, allowing State and Federal judicial deportations and by restricting defenses criminal aliens currently used to avoid deportation. The bill simplifies existing law by establishing that any alien who commits a felony is deportable. It also strengthens existing law by enhancing penalties for evading deportation and reentering the U.S. after being deported. S. 1934 was introduced on March 16, 1994 and was referred to the Senate Judiciary Committee. No further action was taken on this legislation during the 103rd Congress.

Amendment to S. 2192—the National Defense Authorization Act, Fiscal Year 1995 (by Senator Nunn). In response to concerns raised

during the subcommittee's hearing on International Organized Crime, about the possible involvement of organized criminal groups in trafficking nuclear materials, Senator Nunn offered an amendment to the National Defense Authorization Act for 1995, which provided \$10 million for a joint DoD-FBI law enforcement training program to expand and improve efforts to deter the possible proliferation of weapons of mass destruction by crime organizations in Eastern Europe, the Baltic countries, and the former Soviet Union. The amendment was enacted into law as part of Public Law 103-337 on October 5, 1994.

IV. Reports, prints and studies

U.S. Government Efforts to Combat Fraud and Abuse in the Insurance Industry: Third Interim Report on Enhancing Solvency, Regulation and Disclosure Requirements—A Case Study of guarantee Security Life Insurance Company (GSLIC) (Senate Report 103-29, March 1993).

General Accounting Office Report to the Permanent Subcommittee On Investigations—Federal Prison Expansion: Overcrowding Reduced but Inmate Population Growth May Raise Issue Again (December 1993).

General Accounting Office Report to the Permanent Subcommittee on Investigations—Money Laundering: U.S. Efforts to Fight It Are Threatened By Currency Smuggling (March 1994).

General Accounting Office Report to the Permanent Subcommittee on Investigations—Blue Cross and Blue Shield: Experiences of Weak Plans Underscore the Role of Effective State Oversight (April 1994)

General Accounting Office Report to the Permanent Subcommittee on Investigations—Federal Judicial Security: Comprehensive Risk-Based Program Should be Fully Implemented (July 1994)

Report of the Department of Health and Human Services, Office of the Inspector General to the Permanent Subcommittee on Investigations—Review of Executive Compensation at Medicare Contractors (August 1994)

General Accounting Office Report to the Permanent Subcommittee on Investigations—Medicare: HCFA's Contracting Authority for Processing Medicare Claims (August 1994)

General Accounting Office Report to the Permanent Subcommittee on Investigations—Tax Administration: Compliance Measures and Audits of Large Corporations Need Improvement (September 1994)

Corruption in Professional Boxing (Senate Report 103-408, October 7, 1994)

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Chairman: Carl Levin

Ranking Minority Member: William S. Cohen

*I. Hearings**Legislative*

1. *S. 420, the Ethics in Government Reform Act of 1993, and S. 79, the Responsible Government Act of 1993.* (March 5, 1993)—These bills proposed changes to the post-employment lobbying restrictions on Members and employees of Congress and employees of the Executive Branch. The bills were considered at some length by the Subcommittee but not reported to the full committee. *Witnesses:* The Honorable David L. Boren, U.S. Senator from the State of Oklahoma; The Honorable John McCain, U.S. Senator from the State of Arizona; The Honorable Dennis DeConcini, U.S. Senator from the State of Arizona; Gary Davis, General Counsel, Office of Government Ethics; Alexander B. Trowbridge, President, Trowbridge Partners, Inc. on behalf of the Council for Excellence in Government; Charles Lewis, Chairman and Executive Director, The Center for Public Integrity; Fred Wertheimer, President, Common Cause; William N. Eskridge, Jr., Professor of Constitutional Law and Legislation, Georgetown University Law School; and Robert S. Peck, Legislative Counsel, American Civil Liberties Union.

2. *S. 885, to Modify Congressional Restrictions on Gifts.* (July 19, 1993)—This hearing looked at a legislative proposal to establish a uniform gift rule for the House and Senate. The Subcommittee reported a separate bill which was passed by the full committee and the Senate. Similar legislation was passed by the House, and a conference report was passed by the House but did not pass the Senate. *Witnesses:* The Honorable Frank Lautenberg, U.S. Senator from the State of New Jersey; The Honorable Paul Wellstone, U.S. Senator from the State of Minnesota; former U.S. Senator Birch Bayh; former U.S. Congressman Frank J. Horton; Stephen D. Potts, Director, Office of Government Ethics; and Joan Claybrook, President, Public Citizen.

3. *S. 1413, Reauthorization of the Office of Government Ethics.* (April 20, 1994)—The Subcommittee heard testimony from the Director of the Office of Government Ethics in support of reauthorizing the office. The bill was reported by the subcommittee to the full committee and passed by the Senate. It was not passed by the House. *Witnesses:* The Honorable Stephen D. Potts, Director, Office of Government Ethics; Jan Ley, Deputy General Counsel; and Jack Covalleski, Associate Director for Program Assistance and Review.

Oversight

1. *Will Jobs Be America's Biggest Export under NAFTA?* (April 1, 1993)—This hearing reviewed the data available to predict the employment effects of ratification of NAFTA. *Witnesses:* Tom Fairfax, former broker and "Shelter Operator," Rancho Santa Margarita, CA; Jerry Lundy, Dowagiac, Michigan, former employee of Modine Heat Transfer; Scarlet Bachmann, Dowagiac, Michigan, former employee of Modine Heat Transfer; Doug Fenton, Kokomo,

IN, former employee of United Technologies Automotive; and Harry Browne, Research Associate, The Inter-Hemispheric Education Resource Center.

2. *Oversight of Federal Trade Data: What We Don't Know Could Hurt Us.* (April 28, 1993)—This hearing was a continuation of the subcommittee's investigation into the data available to predict the employment effects of ratification of NAFTA. *Witnesses:* Kevin L. Kearns, President, United States Business and Industrial Council; Steve Beckman, International Economist, United Auto Workers; Charles A. Waite, Associate Director for Economic Programs, Bureau of the Census, U.S. Department of Commerce; Allan I. Mendelowitz, Director, International Trade, Finance, and Competitiveness Issues, General Government Division, GAO; Jeffrey Schott, Senior Fellow, Institute for International Economics; Thomas J. Plewes, Associate Commissioner, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics, U.S. Department of Labor; and Fred Goff, Director, The Data Center, Oakland, CA.

3. *Oversight of Federal Property Management.* (July 27, 1993)—This hearing was held at the request of Ranking Republican, Senator Cohen. The subcommittee reviewed the management practices of GSA in purchasing and leasing space for Federal agencies. *Witnesses:* The Honorable Howard M. Metzenbaum, U.S. Senator from the State of Ohio; Michael E. Motley, Associate Director, Government Business Operations Issues, GAO; Sherri Wasserman Goodman, Deputy Under Secretary of Defense for Environmental Security, DOD; David L. Bibb, Assistant Commissioner, Office of Facility Planning, GSA; Lester M. Hunkele, III, Deputy Assistant Secretary for Facilities Oversight, Department of Veterans Affairs; Dr. Michael Sumichrast, Publisher and Editor, "Real Estate Perspectives," Sumichrast Publications; Dr. Paul C. Taylor, Vice President for Public Affairs, NAIOP, The Association for Commercial Real Estate, accompanied by Dr. Hayden B. Bryan, former Executive Director, Base Closure Commission (1988); and Thomas B. McChesney, President, Building Owners and Managers Association International.

4. *Off-Loading: The Multi-Million Dollar Loophole in Government Contracting.* (July 30, 1993)—This hearing was the result of an extensive investigation by the Subcommittee into a governmentwide practice to avoid competition in contracting. *Witnesses:* Derek J. Vander Schaaf, Acting Inspector General, DOD; John C. Layton, Inspector General, DOE; William I. Hinshaw II, Inspector General, TVA; Admiral Eugene B. Harshbarger, Deputy for Acquisition Policy, Integrity and Accountability, Department of the Navy; Norman A. Zigrossi, President Resource Group, Tennessee Valley Authority; Joseph R. Varady, Jr., Director for Procurement Policy, Department of the Army; Brigadier General Robert W. Drewes, Deputy Assistant Secretary of the Air Force for Contracting, Department of the Air Force; and Colleen A. Preston, Deputy Under Secretary of Defense for Acquisition Reform, DOD.

5. *Oversight of the FDIC: Are Investors Cashing in on FDIC Mismanagement?* (November 9, 1993)—This hearing was held at the request of Ranking Republican, Senator Cohen. The Subcommittee looked at how the Federal Deposit Insurance Corporation (FDIC)

was managing the resale of properties under its control. *Witnesses:* The Honorable Mark Johnston, Mayor, City of Saco, ME; Douglas Hess, Sole Proprietor, Doug Hess Investments, Tyler, MN; Daniel Masucci, Liquidation Assistant, FDIC, Irvine, CA; Ramon Hernandez, Liquidation Review Specialist, FDIC, Chicago, IL; Howard G. Rhile, Director, Accounting and Information Management Division, GAO; and John F. Bovenzi, Director, Division of Depositor and Asset Services, FDIC.

6. *Oversight of U.S.-Japan Auto Parts Framework Negotiations: What's Needed to Get Results.* (February 3, 1994)—The Subcommittee held this hearing to review the progress and the U.S. position in trade negotiations with Japan on auto parts. *Witnesses:* Jeffrey E. Garten, Under Secretary for International Trade Administration, U.S. Department of Commerce; Robert E. Cole, Vice President, Government Affairs, Kaiser Aluminum and Chemical Corporation and Chairman, Annual Report Task Force; Michael S. Flynn, Associate Director, Office for the Study of Automotive Transportation, Transportation Research Institute, University of Michigan; and Andrew H. Card, Jr., President and CEO, American Automobile Manufacturers Association, and Former Secretary, U.S. Department of Transportation.

7. *Oversight of EPA's Implementation of the Nonattainment Provisions of the Clean Air Act in Lake Michigan Region.* (July 25, 1994)—The subcommittee reviewed EPA's actions with respect to regulatory burdens placed on communities which do not generate their air quality problem. *Witnesses:* Mary Nichols, Assistant Administrator for Air and Radiation, EPA; and Steve Gerritson, Executive Director, Lake Michigan Air Directors Consortium.

8. *Navy's Mismanagement of the Sealift Tanker Program.* (October 12, 1994)—This hearing was the result of an extensive investigation by the Subcommittee and GAO of mismanagement by the Military Sealift Command of 9 oil tankers. *Witnesses:* Richard C. Steiner, Director, Office of Special Investigations, GAO; Captain Gordon D. Marsh, Chief, Marine Technical & Hazardous Materials Division, Coast Guard Headquarters; Vice Admiral Philip M. Quast, Commander, U.S. Military Sealift Command; and Robert G. Wellner, President and Chairman of the Board, International Marine Carriers, Inc.

II. Miscellaneous bills

S. 24: The "Independent Counsel Reauthorization Act of 1993" which would reauthorize the independent counsel law for an additional 5 years. This bill was considered and reported by the subcommittee. It was reported by the full committee, passed by the Senate and enacted into law on June 30, 1994 (P.L. 103-270).

The Lobbying Registration Act. This bill was considered and reported by the subcommittee. It was reported by the full committee, passed by the Senate, passed by the House, and sent to conference. The conference report was passed by the House but not approved by the Senate.

S. 2156: The Reports Elimination Act. This bill—which would have eliminated some 300 statutorily required reports to Congress—was considered and reported by the subcommittee. It was reported by the full committee but not passed by the Senate.

S. 1587: Acquisition Reform. Subcommittee staff contributed a significant amount of time and effort to the passage of this legislation.

III. Reports

The Subcommittee issued five reports as a result of its investigations and hearings. Three reports, Reauthorization of the Office of Government Ethics (S. Rept. 103-315), Congressional Gifts Reform Act (S. Rept. 103-255), and the Reports Elimination Act (S. Rept. 103-375) were legislative reports.

One report, following the Subcommittee's hearing on off-loading abuses, was an oversight report containing findings and recommendations (Off-Loading: The Abuse of Inter-Agency Contracting to Avoid Competition and Oversight Requirement (S. Prt. 103-61)).

One report, a compilation of Federal ethics laws, was issued to provide a readily accessible document of ethics laws for Federal employees and the public (Compilation of Federal Ethics Laws (S. Prt. 103-25)).

The subcommittee worked closely with GAO on numerous reports concerning DOD inventory, DOD procurement, management of the Postal Service, residential schools for disadvantaged children, management of FFRDC's, and commercial practices of the private sector.

IV. Other efforts

The subcommittee worked extensively on the role of the Financial Accounting Standards Board in establishing new accounting standards for public corporations with respect to stock options. Staff members worked on legislation which was enacted into law that would eliminate bonuses for Presidential appointees in the period shortly before and shortly after a Presidential election. The Subcommittee also reviewed the management of the Anti-Deficiency Act in the Department of Defense.

SUBCOMMITTEE ON REGULATION AND GOVERNMENT INFORMATION

Chairman: Joseph I. Lieberman

Ranking Minority Member: Thad Cochran

I. Legislation

EBT Regulatory Relief Act, S. 2511: Introduced at the end of the second session, this bill exempts EBT cards from regulation E of the Electronic Funds Transfer Act when used for means tested benefits. The bill was introduced to facilitate discussions of the issue between Congresses.

Poverty Cost of Living Adjustment, S. 1412: Introduced in the first session in response to Rep. Sawyer's (D-OH) bill to authorize biannual poverty estimates for school districts, this bill requires those estimates to be adjusted for state-to-state differences in the cost of living; The bill did not pass, but was effective in blocking the requirement that biannual data be used to distribute funds under Chapter 1 of the Elementary and Secondary Education Act.

Address List Improvement Act, H.R. 5084: Passed at the end of the 103rd Congress, this bill amends Title 13 to allow the Census Bureau to share the census address list with designated officials in State and local governments. Strongly supported by state and local governments, this act should reduce the friction between governments over the correctness of the next census.

Medicare Data Bank Penalty Delay, S. 1719: Introduced in the first session, this bill would have delayed any penalties arising from employer noncompliance with the Medicare Data Bank. While this bill did not pass, the Senate Appropriations Subcommittee included language provided by Senator Lieberman, instructing HHS not to implement the data bank. The Conference Report carried similar language, and HHS has announced that it will not implement the data bank in 1995.

NHPRC Reauthorization: Introduced and passed in the first session, this act reauthorized NHPRC for the period FY 1994 to FY 1998 at \$5 million, \$6 million, \$8 million, \$8 million and \$10 million respectively.

Mainstream Information Package: In conjunction with staff for Senators Bond and Moynihan, Subcommittee staff developed the titles of health care reform legislation devoted to administrative simplification and privacy. These titles provided the authority for setting standards of communication for all third party (non doctor-patient) communication, and at the same time provide tremendous cost savings for all involved. At the same time, care is taken to protect patient privacy while at the same time providing the necessary access for financial transactions and research.

Video Game Rating Act, S. 1823: Senator Lieberman introduced the Video Game Rating Act that would have established an independent commission to rate video games based on the level of violence, sexual material or offensive language. This legislation would have enabled parents to determine which games are appropriate for their children. The bill was referred to the Commerce Committee. In the interim, the video game industry, prompted by hearings jointly chaired by Senators Lieberman and Kohl in the Subcommittee on Regulation and Government Information and the Subcommittee on Juvenile Justice and the legislation, devised a voluntary rating system.

Biomaterials Access Assurance Act, S. 2215: Introduced at the end of the second session, following the Subcommittee's May 20, 1994 hearing on the health crisis resulting from the possibility that raw materials and components could be unavailable for use in manufacturing medical devices, this bill would limit the tort liability of raw material and component suppliers under certain conditions. The bill was referred to the Commerce Committee.

II. Legislation

Contracting Problems at the RTC: HomeFed.—On February 19, 1993, Senator Lieberman chaired a Subcommittee hearing that exposed extreme cost overruns on the RTC's Management and Continuity Contracts with Price Waterhouse. Testifying were John J. Adair, Inspector General of the Resolution Trust Corporation ("RTC"); Albert V. Casey, President and Chief Executive Officer, RTC; William H. Roelle, Senior Vice President and Chief Financial

Officer, RTC. According to the testimony, Price Waterhouse charges amounted to 67 cents per page for photocopying and related document handling. The hearing led to reductions in charges to the RTC of \$6.9–\$9.6 million, and substantial tightening of contracting activities by the RTC.

Adequacy of HCFA Information Systems.—On April 2, 1993, Senator Lieberman chaired a Subcommittee hearing to examine the ability of the Health Care Financing Administration to solve the problem of identifying cases where Medicare should be the secondary payer. Testifying were Leslie Aronovitz, GAO; Carol Walton, HCFA; James Michner, The Travelers Companies; and Linda Ryan, New York Department of Health. Ms. Aronovitz outlined the magnitude of the problem and the need for a system that identifies payer status when a claim is filed. Ms. Walton explained that current efforts only identify payer status three to ten years after the claim has been processed. Mr. Michner described the burden the current system places on insurance companies and indicated that The Travelers was willing to work with HCFA to craft a better solution. Ms. Ryan described just such a better solution currently being tested in New York. Her project links payers and payees electronically, and could include a system that identified Medicare primary and secondary payers. Senator Lieberman urged HCFA to explore solutions like those being demonstrated in New York.

Public Papers of Supreme Court Justices: Assuring Preservation and Access.—On June 11, 1993, Senator Lieberman chaired a Subcommittee hearing to examine the controversy created when the Library of Congress opened the collection of papers from the estate of Thurgood Marshall a year after his death. Most sitting Justices were concerned that providing access to the internal documents of the Court on recent cases would complicate their ability to fulfill their responsibilities. Testifying were The Honorable James Billington, Librarian of Congress; Mr. E. Barrett Prettyman, Jr., Attorney; Mr. Dennis Hutchinson, Editor of *The Supreme Court Review*; Ms. Anne Kenney, President, Society of American Archivists; and Ms. Jane Kirtley, Executive Director of The Reporters Committee for Freedom of the Press. judicial papers are the private property of the Justices, and it was clear from the testimony at this hearing that without making them Federal property, there was little that could be done to control access. Senator Lieberman urged the Supreme Court to issue guidance for the disposition of and access to Judicial records.

At-Home Business Opportunity Scams.—On July 28, 1993, Senator Lieberman chaired a Subcommittee hearing exploring the growth in at-home business opportunity scams. Like other types of advance fee scams, victims are required to send money in advance, but return little or none of the promised goods or services. Since the scam artists are usually located out of state and the amounts at issue are relatively small, victims rarely receive refunds and prosecutions are difficult. James McIlhenny, President of the Better Business Bureaus, Inc. testified that these scams have multiplied in recent years as people seek to supplement their income. He said people who are at home either because they are unemployed or are taking care of children are frequent targets of these scam artists. Kimberly Cole and George Matthews of Hurlock, Maryland,

and Bernard Rooney of Arlington, Virginia, victims of scams, testified about their experiences. Richard Barton, Senior Vice President for Governmental Affairs, Direct Marketing Association, explained what industry was doing to battle these scam artists. Alvin Lamden, Manager of Fraud and Prohibited Mailings, U.S. Postal Inspection Service, testified about enforcement efforts, successes and problems.

International Consumer Fraud: Can Consumers Be Protected?—On October 15, 1993, Senator Lieberman chaired a Subcommittee hearing to examine the recent increase in consumer fraud practiced across international borders. Testifying were Jinni Anderson of Gilford, CT; Mr. John Barker, Director of the National Fraud Information Center; Mr. Lawrence Urgenson, Acting Deputy Assistant Attorney General; Ms. Christian White, Acting Director of the Federal Trade Commission Bureau of Consumer Protection; Mr. Fred Verinder of the Federal Bureau of Investigation; and Mr. Michael Stenger of the U.S. Secret Service. Ms. Anderson and her husband were defrauded of thousands of dollars by a company operating out of Canada. All agreed that more stringent enforcement was needed in this area, but both the FBI and the Secret Service pointed out that because of the complications of negotiating international agreements, progress in this area is slow.

Reinventing Government: Using New Technology to Improve Services and Cut Costs.—On December 2, 1993, Senator Lieberman chaired a Subcommittee hearing to examine the ways that information technology could be used to improve government services. The OTA report "Making Government Work" was released concurrent with this hearing. Testifying were The Honorable Sally Katzen, Administrator of the Office of Information and Regulatory Affairs; Mr. Fred Wood, Office of Technology Assessment; Mr. Elliot Gerson, The Travelers Companies; Mr. David Truax, Maryland Department of Human Resources; The Honorable Carmen Nazario, Secretary of Health and Social Services in Delaware; and H.W. Porterfield of Consulting Resources Inc. Ms. Katzen reported on the Vice President's National Information Infrastructure Initiative which is designed to improve the use of information technology within the Government. Mr. Wood summarized the OTA report which encouraged the Administration's efforts and described some of the pitfalls that could beset that effort. Mr. Truax described the Maryland experiment with delivering Food Stamps and Aid to Families with Dependent Children through ATM-like cards. This "electronic benefits transfer" (EBT) system is the only one in the country being used statewide. Ms. Nazario described the system of "one-stop shopping" for social services in Delaware. Both public and private support services are housed in a single location to facilitate citizen access. Mr. Porterfield described a project his company was working on under contract with EPA to put environmental regulations on-line for individual and business access.

Violent Video Games: What Parents Need to Know.—On December 9, 1993, Senator Lieberman chaired a hearing, held in conjunction with Senator Kohl's Judiciary Subcommittee on Juvenile Justice, to explore the need to rate video games so that parents would know what they were buying for their children. Representatives of parents, teachers, as well as academic and other experts testified

about the link between violence depicted in media and actual violence among youth. They were Dr. Parker Page of the Children's Television Resource and Education Center; Professor Eugene Povenzo of the University of Miami; Mr. Robert Chase, National Education Association; Ms. Marilyn Droz of the National Coalition on Television Violence. Representatives of industry, including Howard Lincoln, Nintendo of America; Mr. Bill White, Sega of America; Ms. Ilene Rosenthal, General Counsel, Software Publishers Association; Ms. Dawn Weiner, Video Software Dealers Association; and Mr. Craig Johnson, Past-President, Amusement and Music Operators Association, committed to working together to create a credible rating system in time for the 1994 holiday season.

Video Game Violence and Establishing a Video Game Rating System.—On March 4, 1994, Senator Lieberman chaired a second joint Subcommittee hearing with Senator Kohl on the preliminary outline of a rating system offered by the video game industry. Responding to standards for the rating system set down by Senator Lieberman in a letter sent two weeks after the first hearing, industry leaders discussed how the system would be structured so that its independence and credibility is assured. Representatives of major video game retailers, including Toys-R-Us and Walmart, voice support for the industry's rating effort and a commitment to work with the system once it is in place. Testifying at the hearing were Congressman Tom Lantos; Jack Heistand, Senior Vice President for Electronic Arts on behalf of the Interactive Entertainment Industry Rating Commission; Mary Evan, Vice President of Store Operations, Babbages; Chuck Kerby, Divisional Merchandise Manager, Wal-Mart; Steve Loenigsberg, President, American Amusement Machine Association; R.A. Green, III, Amusements & Music Operator Association.

Health Care Information: Collection and Privacy.—On May 6, 1994, Senator Lieberman chaired a Governmental Affairs Committee hearing to examine the needs and benefits of collecting information on health care, and the importance of protecting the privacy of that information. Testifying were The Honorable Sally Katzen, Administrator, Office of Information and Regulatory Affairs; The Honorable Nan Hunter, Department of Health and Human Service; Leslie Aronovitz, Associate Director, Health Finance and Policy, General Accounting Office; Joel Gimpel, Blue Cross/Blue Shield Association; Lois Gargotto, Director of Systems Development, HUMANA, Inc.; Carolyn Kelley, Director, Government and Public Affairs, American Payroll Association; Donald T. Lewers, American Medical Association; Janlori Goldman, Director, Technology and Law Project, American Civil Liberties Union.

Crisis in the Availability of Life-Saving Medical Devices.—On May 20, 1994, Senator Lieberman chaired a Subcommittee hearing to examine the threat that raw materials and component parts could become unavailable for use in manufacturing implantable medical devices, and the potential public health consequences if that occurs. Witnesses included representatives of medical device companies, raw material companies, physicians, patients and consumer advocacy groups. They were Paul Citron, Vice President, Medtronic, Inc.; Eleanor Gackstatter, President and Chief Operating Officer, Meadox Medicals, Inc.; Katherine F. Knox, Business

Program Manager, DuPont Company; James S. Benson, Senior Vice President, Technology and Regulatory Affairs; Mark Reilly, Houston, Texas; Peggy Phillips, Falls Church, Va.; J. Donald Hall, Chair, Department of Cardiovascular Surgery, California Pacific Medical Center; Bernard N. Stulberg, Cleveland Center for Joint Reconstruction, on behalf of the American Academy of Orthopedic Surgery; Pierre Galletti, University Professor and Professor of Medical Science, Brown University, and President, American Institute for Medical and Biological Engineering; M. Kristen Rand, Counsel, Consumers Union.

Progress Report: Rating Video Games.—On July 29, 1994, Senator Lieberman chaired the third joint video game hearing with Senator Kohl addressing the rating categories proposed by the industry. An industry representative detailed how the proposed rating system would comply with the standards outlined by Senator Lieberman after the first hearing. A representative of software publishers described a proposed rating system for personal computer games. Arcade operators stated their intention to establish an appropriate system for providing information about a games content in the coin-operated game context. The industry rating system is now operational. The witnesses who testified were: Steve Koeningsberg, American Amusement Machine Association; Chuck Kerby, Wal-Mart; Jack Heistand, Chairman, Interactive Digital Software Association; Mark Traphagen, Counsel, Software Publishers Association; Robert Clarke, V.P., National Education Association, Mary Ellen R. Fise, Consumer Federation of America.

Caveat Inventor: Deceptive Invention Marketing Scams.—On September 2, 1994, Senator Lieberman chaired a hearing of the Subcommittee to uncover techniques used by some unethical businesses to rope thousands of inventors into spending significant amounts for worthless services involving the promotion of their inventions. The Subcommittee subpoenaed testimony from one former salesperson who described the inner workings of invention promotion mills. One of the salesman's victims recounted how she was targeted and drawn into the scam. Representatives of Federal and State law enforcement agencies testified as to their current efforts to curb these rip-offs. Witnesses were: Lorraine E. Leiner, inventor; Kenneth Rogers, former Invention Marketing Salesman; Robert Lougher, President, Inventors Awareness Group; Dr. Gerald Udell, Director Center for Business and Economic Development, Southern Missouri State University; Phoebe Morse, Regional Director, Boston Regional Office, Federal Trade Commission; Mr. Michael Kirk, Deputy Commissioner of Patents and Trademarks; Robert Litt, Deputy Assistant Attorney General, Department of Justice; James Mallett, Office of Consumer Protection of the New Jersey Attorney General; Ms. Margaret M. Leonard, District of Columbia Department of Consumer and Regulatory Affairs.

TASK FORCE ON WASTE, FRAUD AND ABUSE

Chairman: Byron L. Dorgan

I. Background

The government Waste Project was created on March 11, 1993 by Chairman Glenn to identify and document areas of wasteful gov-

ernment spending and to set forth an agenda to eliminate waste in many Federal programs.

In a joint news release at that time, Chairman Glenn said in announcing the project "We are fortunate to have Senator Byron Dorgan as a new member of this Committee, particularly because of his experience in the House of Representatives, where he did a superb job as head of a Democratic Task Force on Government Waste. With that background to draw on, I'm looking forward to working closely with Senator Dorgan."

The agenda included a select series of ongoing projects to heighten awareness of waste in the Legislative, Judicial, and Executive branches of government. The project focused on wasteful overhead, costly management failures, unnecessary duplication, and related problems.

The goal was to highlight ways the government could improve its business practices. For example, hearings on topics such as the Buildings Moratorium Bill and the \$10 Billion Courthouse Construction program, as well as progress on the implementation of the Interstate Identification Index (III) shone the congressional spotlight on waste problems.

Additionally, in consultation with Chairman Glenn, the task force sought to work with Vice President Gore to further the goals and recommendations of the National Performance Review. The task force pursued efforts that were analogous to OMB and GSA efforts (i.e., overhead and Federal property management reform issues).

II. Hearings and investigations

1. Are We Overbuilding? May 4, 1994

The prime focus of this hearing was the government's civilian building program, specifically the abnormally high cost of Federal courthouse construction. On the first panel, a senior Federal judge exposed a range of excess costs in the Federal courts system. For example, the judge testified: "I think we would have much more credibility with the Congress if we would get our own house in order and stop wasting money."

The second and third panels, respectively, evaluated the status of two reports which further reinforce why court costs are excessive. The first report was by the General Accounting Office—Federal Judiciary Space, Long Range Planning Process Needs Revision, GAO/GGD-93-132, September 1993—and dealt with just the long-range planning process. It showed that the cost of this overestimation was \$112 million per year, or more than \$1.1 billion for the 10-year planning period. GAO experts outlined three major flaws in the courts' long-range planning process and reviewed the results of GAO's recommendations for improved planning.

Other significant waste-related issues were addressed in the second report—Report of Independent Courts Building Program, December 1993—by a blue ribbon panel of experts in judicial design and construction, including: the Administrative Office of the Courts (AOC) design guide, needs prioritization, the one judge/one courtroom principle, and other issues unique to the courts that contribute to high courthouse construction costs.

As a result of Committee efforts, the GSA has reviewed nearly 200 major projects; identified \$1.34 billion of savings, including \$310 million in court projects, and

- Established a system of benchmarks for cost comparison based on private sector cost methods; refined system and reduced benchmarks 5% after professional studies of court projects in Alexandria, VA and Shreveport, LA;

- Created a method to apply benchmark analysis to individual projects to account for differential cost resulting from geographic location, type of construction and date contract award;

- Changed budgeting/estimating philosophy from "comfortable budget syndrome" to "spend not \$1 more than necessary to meet the court's functional needs in a well-designed facility";

- Convened an independent panel of private sector architects, engineers and contractors to review court programs and identify solutions to problems; a joint task group of GSA and AOC prepared an implementation plan adopting 20 of the 22 recommendations of the independent panel; eight of the most critical have already been substantially implemented or are underway;

- Established a Courthouse Management Group to create a single point of responsibility for program efficiency and cost effectiveness. A national program office will be responsible for long-range planning, oversight/input into project development plan, involvement in site selection and review of any requests to change agreed-upon scope of project; will coordinate project manager skill assessment and training; will become functional in January in conjunction with reorganization of overall real estate operations, and;

- Reached agreement with AOC on necessity of rolling 5-year plan which prioritized projects; AOC has completed first draft.

2. Accountability and Management of Department of Defense Facilities Requirements—June 7, 1994

This was the second of five scheduled hearings on issues that contribute to government waste. This hearing addressed the waste of taxpayer dollars due to the lack of efficiency and accountability within the government's military construction and building program.

Following are specific examples of real and potential waste examined by the Committee.

Naval Undersea Warfare Center

In July 1993, a ribbon-cutting ceremony took place to mark the opening of the \$27 million custom-designed Naval Undersea Warfare Center (NUWC) Detachment in Norfolk, VA. Even before the ribbon-cutting ceremony took place, the decision had already been made by the Base Realignment and Closure Commission (BRAC)—at the Navy's recommendation—to relocate the facility to Newport, Rhode Island. As a result the Navy incurred approximately \$30.6 million in unnecessary costs.

In its report, NAVY LABORATORIES, Issues Concerning the Naval Undersea Warfare Center's Suffolk Facility, GAO/T-NSIAD-94-211, the GAO established a timeline with corroborating docu-

mentation proving that the Navy knew as early as 1990 that their requirements for the building had diminished by more than half. The Navy's original 1987 requirement for a 278,000 sq. ft. facility kept changing due to an old requirement for a changing requirement due to the end of Cold War. This requirement was reduced due to some units finding other quarters prior to the construction of the building, thus reducing the space requirements even more. By 1990 the space requirement dropped from 278,000 to 175,000 sq. ft. and from 1000 to 500 employees.

Because the Navy used the build to lease method to have the NUWC constructed, the Committee found that even after the move is completed, the government will continue to incur rental costs of approximately \$4 million per year for the length of the NUWC lease, which could run as long as 20 years.

Army construction of new office space for 30,000

The Committee investigated the Army's plan to develop new office space at the 820-acre Engineer Proving Ground (EPG) in Fairfax County, VA to consolidate 30,000 Army employees currently in leased space throughout the metro Washington area. Army planners claimed that the proposed project will not cost the taxpayer anything, because they will trade Army-owned land to private developers in exchange for no cost construction of office buildings. Army planned to solicit development contracts in five stages and require the successful bidder in each stage to be responsible for hundreds of millions of dollars in infrastructure improvements. Army claimed a projected savings of \$54 million annually in lease payments by consolidating Army components currently housed in approximately 12 locations in the Washington metropolitan area.

An independent report prepared by TAI Realty Consultants of McLean, VA for the Fairfax County Office of Comprehensive Planning and released in October of 1993 found that "the EPG development program, as originally envisioned, is simply not feasible." In addition, the report listed the following conclusions regarding the feasibility of the Army's development program: "Our interpretation of current market conditions, and our forecast of future real estate market conditions, lead us to conclude that site, by itself, represents insufficient value to provide for required infrastructure improvements and for the Army's required 2.9 million gross square feet of office space. Market conditions have changed dramatically since the time the market analysis, that forms the basis of the Army's development program, was completed."

The Army Audit Agency released its report, SR 95-753—Development of Engineer Proving Ground Fort Belvoir, VA.

The Committee made the following findings:

The Army's plan to obtain 2.9 million gross square feet of office space in exchange for development rights on the Engineer Proving Ground was overly optimistic and not financially feasible. Requirements in the draft request for proposal weren't clear enough to make sure the Army selects the developer that can provide the best value.

The Army's requirement for 2.9 million gross square feet of office space was overstated. Procedures for keeping potential

tenants up to date were generally adequate, but procedures for identifying potential tenants needed improvement.

The Program Manager didn't maintain adequate documentation to support cost analyses. Because adequate documentation wasn't maintained, the Committee was unable to determine if documentation was accurately prepared.

Procedures for identifying the information mission area infrastructure were generally adequate.

The program offices didn't have adequate documentation to support its market projections. The Committee was unable to determine if the projections were reasonable.

Procedures for ensuring the Army receives fair market value for its property were properly documented and reasonable. However, it is not possible to determine how effective they are until they are implemented.

Subsequently, during the December 1993 in-process review, the Acting Assistant Secretary of the Army (Installations, Logistics and Environment) made two major decisions that significantly affected the development plan. The Army wouldn't execute a residual value lease agreement to reimburse the developer, and it couldn't guarantee that DOD activities would lease 1.15 million square feet of commercial office space. These changes had a potentially significant impact on the financial feasibility of the development. Cost estimates showed that the potential estimated value of Army office space and infrastructure exceeded the estimated value of the land by about \$176 million.

Overall failures in military facilities management

Three projects illustrate a lack of adequate controls throughout the DOD to ensure that new construction projects and collateral equipment are justified and needed, especially at bases that may be recommended for closure; the Family Housing at Naval Station, New York; the battleship support projects at Pearl Harbor; and Fitzsimons Army Medical Center, Denver. As a result of this poor planning and failure to heed early warning concerns, the Committee found that the Federal government is wasting hundreds of millions of dollars in unneeded and unnecessary construction projects. The Committee also found that components of DOD routinely have ignored the recommendations of the DOD Inspector General (IG) or their in-house audit commands with respect to redefining or canceling military construction projects.

Between 1988 and 1993, the military spent more than \$1.1 billion for construction at bases that were later recommended for closure by the Base Realignment and Closure Commission (BRAC). While there is no way to determine exactly how much of the \$1.1 billion may have been wasted, the Committee has established that by cancelling 783 housing units at New York and eliminating six projects in support of battleships in Hawaii, the government would have saved as much as \$305 million. This highlighted the lack of a clear mechanism to coordinate between operating commands and their construction requirements and the DOD planners preparing closure recommendations for the BRAC.

Much of this waste was traced to the Navy's "Homeporting" program which began in 1982 to alleviate overcrowding in existing

ports and to accommodate expansion of the Fleet toward a 600-ship goal. The program, which was a failure, is no longer in effect however, its residual effects are still evident. The acting DOD IG told the Committee that as much as \$7 billion of the \$8 billion program cost was wasted.

3. Criminal Debt Collection—June 28, 1994

On June 28, 1994 the Committee on Governmental Affairs, conducted a hearing on the economy, efficiency and effectiveness of Federal criminal and restitution debt collection. The following issues were reviewed: low collection rates of outstanding debt; the National Fine Center (NFC) which had yet to become operational after five years despite \$19 million in start-up funds; law enforcement utilization of the Seized and Forfeiture Statutes impact on a convicted felons ability to pay court ordered fines and/or restitution; and who has specific oversight responsibility, the Department of Justice (DOJ) or the Administrative Office of the Courts (USAOC), thus creating the problem of accountability.

The GAO believes that the government's systems for imposing, collecting, enforcing, and accounting for criminal debt deserves scrutiny. The GAO presented an update to their earlier report of August 1993 on the NFC entitled "Expectations High, But Development Behind Schedule."

In their testimony, the GAO told the Committee that outstanding criminal debt grew from \$0.3 billion to \$3.6 billion between fiscal years 1985 and 1993. But because of severe data limitations and other factors, it is extremely difficult to assess how effectively Federal agencies collect criminal debts or how much of the outstanding debt is realistically collectible.

The GAO further testified that the most important step to enhance debt collection efforts would be for the USAOC to make the NFC fully operational. The USAOC now is developing a new two part implementation plan and expects that the first phase of the NFC will be operational nationwide by September 1, 1996, almost nine years after legislation creating the NFC was enacted.

The GAO also testified regarding financial institution fraud. In 1992, the GAO found that the perpetrators of the nation's savings and loan fiasco and other financial institution fraud had paid only about four cents on every dollar of fines, restitution and other payments they owe the American taxpayers. Recent statistics collected by Federal law enforcement officials suggest that the Federal government's dismal record in this area remains unchanged. The GAO testified that of the top 50 pending criminal debts (i.e., fines and restitution orders) owed to the Federal government less than 1 percent has been collected.

4. Drug Pricing: Poor prescription for consumers and taxpayers?—July 28, 1994

The Committee found that U.S. consumers and taxpayers are paying more than their fair share for prescription drugs. This hearing examined the differences in international pricing policies of prescription drug manufacturers. The Committee examined the scope of price differences, as well as the reasons behind them.

The Committee heard testimony from the General Accounting Office, individuals with expertise in international drug pricing, representatives of the prescription drug manufacturing industry, and Americans who have been affected by the high cost of prescription drugs.

The Committee found that Americans spent \$36.4 billion in 1991 on outpatient prescription drugs—triple the \$12 billion spent in 1980. Billions more were spent on medication for patients in hospitals. A GAO report comparing wholesale drug prices in the U.S. and Canada found U.S. prices to be, on average, 32% higher. A similar GAO report compared the wholesale prices charged by manufacturers for 20 of the top 100 drugs sold in the U.S. with the prices in Canada, Great Britain and Sweden. The GAO found that of wholesale drug prices in the U.S. and UK, U.S. prices were an average of 60% higher. In almost every case, the U.S. price for the same dosage was higher than the price in each of the other countries—in some cases several times higher.

In addition, the Committee found that U.S. taxpayers and consumers are subsidizing the lower prices in other countries. In almost every other nation, drug manufacturer's prices are regulated. In the U.S. they are not. The Committee also found that resulting high drug prices are an improper drain on the Federal Treasury, which pays the drug costs of millions of Federal employees and hospitalized Medicare and Medicaid patients.

5. Interstate Identification Index: Is it an effective weapon in the war against violent crime? Is it interstate, does it identify, is it an index?—December 6, 1994

The Committee found that law-enforcers are being frustrated in their efforts to protect U.S. citizens from violent criminals by limited access to the full criminal histories of felons. FBI statistics point to the fact that one-third of all criminals commit offenses in more than one state, yet most criminal records are only immediately available to law-enforcers within the state where the crimes were committed. The Committee found that this information shortfall may have fatal consequences if law-enforcers are unable to identify and place certain limitations on the movements and activities of particularly dangerous offenders, such as repeat violent criminals, child molesters and sexual predators.

The Triple I (III) was established in 1984, as part of the National Crime Information Center (NCIC) and was designed to provide instant access to the history of repeat offenders on an interstate basis. Each state would have a central repository containing its criminal records, and the FBI would line-up states requesting criminal history information with the appropriate state repository. This would prevent criminals from effectively shedding their criminal records as soon as they cross state lines.

However, only 20% of the full criminal records of the states are available or accessible to law enforcement officials on an interstate basis. Though the III was set up in 1984, assimilating these records into III is proceeding at a very slow pace. Ten years after the inception of the Triple I, 21 states and Washington D.C. are not yet participating in the program. The Committee found that the slow progress towards full participation is preventing law-enforcers

from doing their jobs effectively. Consequently, agencies involved in the criminal justice system often are vulnerable to making decisions that may well result in real risk to their communities.

The Task Force held a hearing to focus on the economy and efficiency of the current program. Additionally, the Committee attempted to identify the impediments to full participation/implementation of Triple I in all states and the District of Columbia. The hearing raised the visibility of Triple I as a weapon against crime and established it as an urgent national priority. It illustrated the fact that all other measures against crime (including laws that attempt to keep repeat sex offenders in prison for life) are of limited value unless law enforcement officials know whom the repeat offenders are.

Given that Triple I was a funded mandate, with \$27 million available from the Justice Department specifically for Triple I, and \$100 million allocated by the Brady Act to upgrade the capabilities of the NCIC, the Committee attempted to determine how this money has been allocated. Further, the Committee attempted to find out what is delaying full participation and implementation.

The aim of the hearing was to make Triple I a priority. It was an attempt to educate those states who are not yet participating about the advantages of Triple I and find out why those states who are participating are not making all their criminal records accessible through the program. In addition the Committee sought to: determine the pace at which the records will become available; discover the barriers to making these records available; raise the visibility of the issue of prior felony conviction records for repeat offenders with key political officials and the public, and speed up the process to make the Triple I current and up-to-date.

The Committee found that all the states not currently participating in the program blame this upon a lack of resources rather than any deliberate opposition to Triple I. Most states aim to be participating by the end of 1996, and the remaining states should follow before the end of the decade.