Americans are cared for and are not left in the lurch worried that their very lives might be in danger.

I hope all of us on this day, the first Asthma Awareness Day, will do our part to educate the American people about the serious health impact, particularly upon our children, that asthma is having, and the dramatic increase that we have seen in asthma in this country, and that the FDA in their, I think, well-motivated goal of removing these chemicals from our environment will do so in a way that the health and safety of the American people is protected.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Madam President, I ask unanimous consent for 5 minutes to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Madam President, I thank my colleagues for their graciousness, and I especially thank Senator GRAMM of Texas. I appreciate it.

FARM CRISIS

Mr. WELLSTONE. Madam President, my colleagues from North Dakota, Senator CONRAD and Senator DORGAN, said it well moments ago when they were speaking about the Wall Street Journal piece that came out yesterday, Tuesday, May 5 regarding what has to be described as a farm crisis. In this piece, former Secretary of Agriculture Bob Bergland is quoted. Jim Tunheim, a State legislator from northwest Minnesota, is also quoted.

I want to talk about what is happening in my State of Minnesota because I believe it will be incumbent upon all of us here in the Senate and in the House of Representatives as well to take some action.

I was at a gathering in Crookston, MN some weeks ago. As I walked into the school, there was a sign posted outside that said, ''Farm Crisis Meeting''. It brought back awful memories of the mid-1980s when I went to probably hundreds of farm crisis meetings. What I saw then all across Minnesota were foreclosures; people being driven off their farms where they not only lived but where they worked as well. I saw a lot of broken dreams and a lot of broken lives and a lot of broken families. This is now happening again.

This very fine piece in the Wall Street Journal talks about this farm crisis in very personal terms.

I want to say to colleagues that I know of no other way to say it. Some 2 years ago, when we passed what was called the Freedom to Farm bill, I called it then the Freedom to Fail bill. And I think that is exactly what is happening. All of the discussion about the market presupposes that we have Adam Smith's invisible hand in agriculture. But what we have instead is a food industry where the conglomerates have muscled their way to the dinner table exercising raw economic power over farmers, consumers, taxpayers, and family farmers. Wheat farmers, corn growers and other farmers—vis-a-vis these large companies that they deal with don't have very much clout at all.

This was a good bill for some of the big grain companies. There are only a few. But it was not a good bill for family farmers.

Now, in northwest Minnesota, a combination of dealing with scab disease, wet weather over the last several years, and, most important of all, this Freedom to Farm bill, which has driven prices down, which doesn't give the farmers a loan rate to have some leverage in the market, which doesn't give them a safety net, is driving farmers off the land.

We need to take some action. The Secretary of Agriculture supports lifting the cap on the loan rate. And we can legislatively try to raise that loan rate so that we can give farmers a price in the marketplace.

I just want to say to my colleagues, I told you so. That is the way I will put it. I told you so. And northwest Minnesota is just a harbinger of what is going to happen across this country. Prices are low. Farmers are being driven off the land. There is a tremendous amount of economic pain. And it is not just the farmers. It is the communities where they live, where they go to church or to synagogue, where they buy their products, where they send their kids to school.

We have a serious crisis in northwest Minnesota. I am hearing from farmers in other parts of my State as well. I think rural America is going to go through some economic convulsions as a result, in part, of this legislation that we passed. We have to give farmers a fair price in the marketplace. We secured them some loan funding in the disaster appropriations bill we passed last week, which gives them at least some loan assistance for spring operations. But it doesn't make that much difference long-term. It can keep them going for awhile, but if they don't get a decent price in the marketplace, they don't have a prayer.

That is what this piece in the Wall Street Journal is about. That is why I come to the floor of the Senate. I look forward to working with my colleagues, Democrats and Republicans alike, who come from farm States. We have to do something. We are here to try to do well for people. We have to do better for family farmers in Minnesota and across our country.

I thank my colleague from Texas again for his graciousness, and I yield the floor.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate resumed consideration of the bill.

UNANIMOUS CONSENT AGREEMENT

Mr. ROTH. Madam President, I ask unanimous consent that the following list of amendments that I send to the desk be the only remaining first-degree amendments in order to H.R. 2676, and that they be subject to relevant second-degree amendments.

I further ask unanimous consent that following the final vote on the bill, the Senate insist on its amendment, request a conference with the House on the disagreeing votes, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. I checked with the minority side. It is my understanding this has been agreed to by both sides, and his request is consistent with the understanding on this side as well.

Mr. ROTH. That is correct.

The PRESIDING OFFICER. If there is no objection, without objection, it is so ordered.

The list of amendments follow:

REPUBLICAN AMENDMENTS TO IRS REFORM

Roth—Effective Dates.
Roth—Relevant.
DeWine—Tech. Correction to Sec. 1059 of the Code.
DeWine—Tax Payer Compliance.
Collins—Reporting Requirements for Universities.
Thompson—Relevant.
Sessions—IRS Oversight Board.
B. Smith—Upward Reviews of Employees.
Stevens—Modify tools of trade exemption.
Craig—Taxpayer notification.
Craig—Taxpayer notification.
Craig—Taxpayer notification.
Ashcroft—electronic verification.
Coverdell—Random Audits.
Coverdell—Tax Clinics.
Coverdell—Tax Clinics.
Coverdell—Employees.
Coverdell—Mathematical and Clerical Errors.
Domenici—Spanish IRS Help Line.
Domenici—Live Person Help Line Option.
Domenici—Suspend Interest in Penalties.
Gramm—Lawsuit Waivers.
Gramm—Burden of Proof.
Gramm—Relevant.
Enzi—Charitable Contribution Technical Corrections.
Burns—Income Averaging for Farmers.
Bond—Electronic Filing.
Mack—Tip Reporting.
Mack—Treasury Secy.
Grams—Disasters.
Lott—Relevant.
Faircloth—Relevant.

DEMOCRATIC AMENDMENTS TO IRS RESTRUCTURING

Moynihan—Delay effective dates of certain provisions to allow IRS to address Y2K problems, per Rossotti request.
Kerrey—Require annual meeting between Finance and Oversight Board chair.
Kerrey—Authorize Treasury Secretary to waive signature requirement for electronic filing.
Kerrey—Require study of willful tax noncompliance by Joint Tax, Treasury, and IRS Commissioner.
Kerrey—Require IRS to review certain stats on success rate of Criminal Investigation Div.
Kerrey—Require report on fair debt collection provisions.
Kerrey—Encourage private/public sector cooperation, not competition, on electronic filing.

Graham/Nickles—Interest netting.
Graham—Innocent spouses.
Bingaman—Relevant.
Daschle—Reduce potential for tax compliance problems.
Daschle—Relevant.
Bumpers—Taxpayer protection.
Kohl—Prioritizing cases in Treasury IG.
Feingold—Milwaukee office of IRS.
Durbin—Relevant.
Feinstein—Relevant.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Madam President, since no one is here to speak, I thought I would go ahead and say a few words. I have several amendments I am going to be offering, and I will, obviously, speak at that time. But I wanted to let my colleagues know about a story that ran on the 4th of this month, which was 2 days ago, on KTVT, Channel 11, a CBS affiliate in Dallas.

What struck me about this story is how symptomatic the story is of what we saw consistently in our hearings before the Finance Committee and how consistently this kind of thing is happening all over the country.

The story was the lead story on the 10 o'clock news on the 4th of May. The story is about tax collectors who aren't paying taxes. Basically, what happened is an investigative reporter asked the Internal Revenue Service for records related to tax collectors who themselves were violating the Tax Code, and did this ever happen, and, if so, what did the IRS do about it and what kind of records were kept. It is the kind of request that government at all levels gets every day from the media. Government officials do not always like to produce the requested information but, nonetheless, it is produced.

Well, the bottom line is, as you might have guessed, the Internal Revenue Service stated that it has no such data. Then an IRS employee slipped a document to the TV reporter, and the document showed that last year nearly 4,000 IRS employees did not file or pay taxes.

Collectively, according to reporter O'Connor in this story, they owe Uncle Sam more than $10 million. And this reporter said that this information coming into their hand forced the IRS to break this down into local numbers. The reporter then says, ''We have learned that in north Texas, between 1993 and 1996, 137 IRS employees did not file or pay their taxes. Last year alone, 14 IRS agents owed $400,000'' in unpaid taxes in north Texas.

Then what I wanted to call to my colleagues' attention is an extraordinary, at least in my mind, interview which sounds exactly like the testimony our committee heard over and over and over again. Listen to this. The reporter is asking Mary Durgin, who is Chief of Tax Compliance for the IRS—the reporter is asking the Chief of Tax Compliance for the IRS the following questions and let me just read the transcript.

Reporter O'CONNOR. You know of no Federal liens ever being filed against an IRS employee?

Ms. DURGIN. Um, I'm not aware of any.

The reporter asks the next question.

Reporter O'CONNOR. Do you know how many reprimands have been given in the last year?

Ms. DURGIN. I don't.

Reporter O'CONNOR. Do you know how many employees have been suspended?

Ms. DURGIN. I don't.

Reporter O'CONNOR. Fired?

Ms. DURGIN. I don't. We don't keep those statistics.

Reporter O'CONNOR. Why would you not know that if you're the head of—

Before she can say ''tax compliance,'' Ms. Durgin says, ''because I don't count them.''

Now, I intend to send this to the Internal Revenue Service this afternoon and ask them to check this out, but this is exactly the kind of answer that we have gotten over and over and over from the Internal Revenue Service. And I intend to offer an amendment, probably tomorrow, that will give the head of the Internal Revenue Service the power to terminate any employee of the Internal Revenue Service who fails to file a tax return that should be filed or who willfully violates the tax laws of this country.

Now, I don't know what is behind this story. I have obviously not verified what has been said by this reporter. But I would have to say that if 4,000 IRS employees last year either didn't file a return or didn't pay taxes, that is a very, very serious charge. And I think the head of the IRS ought to have the ability to terminate the employment of somebody whose job it is to collect taxes from other people and at the same time they don't pay their own taxes.

Now, as you can imagine, this story interviews a businessperson who had their assets frozen, had all kinds of problems because there was a charge that he had not paid his taxes, and that is contrasted against the assertion that 4,000 IRS agents last year either didn't file a tax return or didn't pay their taxes.

I think this is a very serious matter. We ought to have a provision in the new law that says without regard to any other provision of law, if you work for the Internal Revenue Service and you willfully violate the Tax Code, you ought to lose your job.

I think that is something that is needed. I think it is a provision that we were already looking at, but I wanted to make my colleagues aware of this story on the CBS affiliate in Dallas night before last and about this extraordinary interview with Mary Durgin who, although she is the Chief of Tax Compliance at the IRS, doesn't know if any action has ever been taken at any time, in any place, under any circumstances, against any agent who violated the Tax Code.

That seems to me to be extraordinary, and, quite frankly, I would have trouble believing it had we not had exactly the same thing and the same answers given to very similar questions before our committee where, in fact, with all of the concerns that were raised last year, with all of the statements that were made about wrongdoing, little evidence exists that any individuals who had accusations made against them in those hearings or related to those hearings has had any corrective action taken.

As I said at the hearing, and it is something that I will certainly repeat tomorrow in offering this and other amendments, my concern with the Internal Revenue Service is not that you get some bad people when you hire 100,000 people. I mean, people are humans. They make mistakes. Some people seem to be more prone to them than others. And very smart people from time to time do very dumb things. With the IRS employing 100,000 people we ought not to be surprised that we have some people who do bad things and some people who do dumb things. But that is not what alarms me about our current situation at the Internal Revenue Service.

What alarms me is we seem to have a system where people who do bad things never have bad things happen to them. We have a system where, when people do good things like going to their supervisors and saying that other people are violating the law or violating the procedures of the Internal Revenue Service, bad things tend to happen to those good people. The difference between a good system and a bad system is not that under the good system you don't have people who do bad things. You do. But under a good system, people who do bad things end up being punished; people who do good things end up being rewarded, and as a result, people learn from rewards and penalties and so you get more good behavior and you get less bad behavior. That is the hallmark of a good institution.

Looking at all the abuses that we heard about during the Finance Committee hearings, the amazing thing to me was not that these things happened. The amazing thing is it doesn't appear that bad things ever happened to the people who did the bad things. It doesn't appear that people who violated the law, violated procedures, abused taxpayers, abused their fellow employees, were penalized. It appeared as if—based on the testimony that we heard—the IRS system was set up to protect its senior people or to provide an environment in which you reward unproductive and undesirable behavior. You would have to conclude that the structure has historically been one aimed at protecting its own versus protecting the taxpayer instead of creating a system that tries to reward productive behavior.

I think this is something we need to deal with. I think the bill that is before us is a dramatic improvement over the bill in the House. I congratulate Chairman ROTH. I think he has done an outstanding job. I think when we started these hearings many people were skeptical about them. I certainly was skeptical. But I think the hearings have

brought to light real abuses. And the important thing, obviously, for a legislative body, is not just to find out what is wrong but to try to do something about it.

I think we have a good bill before us. I don't think it solves all the problems. I would have to say I am very skeptical about this advisory board. I don't understand an advisory board that is supposed to advise the Secretary of the Treasury and the IRS Director, and the Secretary of the Treasury is a member of the advisory board. I don't understand how you advise yourself. It seems to me that gives the Secretary of the Treasury two bites out of the apple, and that is probably a mistake.

There are very real ethical problems that have been raised by the relevant agencies of Government that deal in ethics in having the head of the Treasury Employees Labor Union as a member of this advisory board, since that member, by the very nature of his job and source of employment, has a constant conflict of interest. I don't understand how you can change the ethics rules of the Government to put people in a position where they constantly have a conflict of interest and expect much to come out of this advisory board. So, frankly, I know many people are talking about the advisory board. I know they have high hopes for it. I have very little in the way of high hopes that we are going to get much out of this advisory board.

But what I think we are doing in this bill that will dramatically change behavior is, No. 1, we are shifting the burden of proof in disputes between taxpayers and the IRS. We are going to have some people who will say that in doing so we are jeopardizing our ability to collect taxes because the taxpayer is the only person who has access to the financial data and records that substantiate the claims made on the individual tax return. I think we have come up with an innovative way of resolving this. Let me give you the argument for shifting the burden of proof, and then describe the innovation that I think answers those concerns.

If you commit a crime, the police come out and investigate the crime, they gather evidence, they turn the evidence over to the prosecutor, the prosecutor evaluates the evidence, and in doing so, evaluates not only whether a crime was committed but evaluates the work of the police department and any abuse it might have committed along the way. And if the prosecutor is convinced there might be a case, he takes it before a grand jury that evaluates the work of the police, the work of the prosecutor, and the facts. Then, if the grand jury indicts a person for a crime, they go into court where people have a jury of their peers, they generally have an elected judge or an appointed judge, and they have an independent prosecutor.

Our problem with the Internal Revenue Service is that we are dealing with one agency that is literally investigator, prosecutor, judge, and jury all wrapped into one so that we have no effective checks and balances. As the ancient Greeks once observed, power corrupts. That is basically our problem in the Internal Revenue Service.

We have not fixed that problem, in my opinion. But the way we tried to get at it is to at least give you one thing you have if you are accused of being a common criminal, basically saying if you are a taxpayer you ought to have rights at least equivalent to a common criminal in dealing with your Government. The right that we want to guarantee is that the burden of proof is on the IRS to prove that you did something wrong, whereas now it is literally true that if you are accused by the Internal Revenue Service of violating the Code, the burden of proof is on you.

Here is the innovative way we have tried to protect our ability to collect taxes and guarantee this right as well. I thank Senator ROTH for working with me on this and for the solution that he and his staff have come up with.

The way the bill works is, if the Internal Revenue Service accuses you of violating the law or violating the rules with regard to the collection of taxes, if you present to them on a timely basis the financial data that a reasonable person could be expected to have kept, if you turn it over to them when requested, at the point that the taxpayer has demonstrated compliance with those requirements, and only then, the burden of proof shifts from the taxpayer to the Internal Revenue Service.

I think that answers all the concerns that were raised by IRS, all the legitimate concerns that were raised by law professors around the country about shifting the burden of proof. There were other concerns that this would produce endless hearings and rulings before courts. But we have dealt with that concern.

Another reform contained in the bill and which I think is very important, and is something that I have been a champion of along with our chairman, is strengthening the principle that if you are audited, either in your family's tax return or your business tax return, and you had to go out and hire lawyers and accountants to defend yourself—and you may spend thousands of dollars defending yourself—that at the end of the day if you are found to have complied with the law, that the IRS is responsible for reimbursement of the costs you have incurred in defending yourself.

So if I am an honest taxpayer and I paid my taxes and the IRS audits me and I have to go out and hire an accountant and a lawyer to defend myself, and we go through 18 months of contention, and finally there is a ruling that says I didn't violate the law, under our bill now, the Internal Revenue Service will now find it more difficult to avoid having to compensate me for my cost of hiring a lawyer and hiring accountants and defending myself.

Not only is that fair, but that is going to change behavior, because we are going to make this data public, we are going to list publicly and report to the Congress on the instances where the IRS has had to pay people these costs. We are going to force the Internal Revenue Service to make better judgments about whom to go after and whom not to go after.

A final wrinkle on this, which I think is very, very helpful, is that if you offer to settle with the Internal Revenue Service and you, say, offer to pay $15,000 to settle this dispute, and the IRS says, ''No, we won't take your $15,000; we are going to take you to court,'' if at the end of the proceedings you are found to owe less than $15,000, not counting penalty and interest built up during the time where the dispute exists, then the IRS will have to pay your legal and accounting costs from the time you made the offer until a final settlement is eventually reached.

This is a long way from the checks and balances we have in the criminal justice system. I would like to go further in separating the functions of the IRS so that we have more checks and balances, but I think our bill is a dramatic improvement over the House bill. I am very proud of what we have done. I hope we can do more. I congratulate our chairman.

I understand that Senator THOMPSON is here, so I yield the floor.

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

AMENDMENT NO. 2356

(Purpose: Striking the exemptions from criminal conflict laws for board member from employee organization)

Mr. THOMPSON. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Tennessee (Mr. THOMPSON), for himself and Mr. SESSIONS, proposes an amendment numbered 2356.

On page 180, beginning with line 7, strike all through page 181, line 17.

Mr. THOMPSON. Madam President, the amendment I am offering, with Senator SESSIONS and with the support of Chairman ROTH, strikes the provision of title I of the bill which provides for a special waiver of the criminal conflict of interest laws for the employee organization representative on the newly organized oversight board.

As chairman of the Governmental Affairs Committee, I have a specific interest in the application of Government ethics laws and any waivers of these criminal statutes which might be granted to Federal employees.

During markup of the measure, the Finance Committee adopted an amendment adding a member to the oversight board who would be a representative of an employee organization representing substantial numbers of IRS employees. However, because of the inherent conflict of interest in the new member's

position, the committee adopted a subsequent amendment waiving four essential ethics laws as they would apply to this particular board member.

It is this specific provision that I propose to strike. Under the waivers as granted, the employee organization representative would not be subject to the same ethics rules as the other members of the oversight board and would not be subject to the same ethics that apply to other public employees. The bill, as reported, exempts the employee organization representative from key ethics laws when the representative is acting on behalf of his or her organization.

The Office of Government Ethics reviewed these waivers and found them very troubling. In a letter addressed to the majority leader, Senator LOTT, minority leader Senator DASCHLE, and the floor managers of this bill, the Director of the Office of Government Ethics, Stephen Potts, described these conflict of interest waivers as unprecedented and inadvisable and antithetical to sound Government ethics policies and, thus, to sound Government.

I ask unanimous consent to have printed in the RECORD the referenced letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, May 1, 1998.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: This Office has reviewed H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1998, as it has been reported by the Finance Committee and, we understand, is soon to be taken up by the Senate. At the request of both the majority and minority, we provided technical assistance to the Finance Committee staff with regard to drafting the language of provisions setting forth the ethical considerations for the Members of the Internal Revenue Service Oversight Board. We believe those provisions are written in a clear and technically correct manner.

However, one provision of the bill, the proposed 26 U.S.C. §7802(b)(3)(D), provides for waivers of applicable conflict of interest laws for one Member of that Board. We believe that this provision is antithetical to sound Government ethics policy and thus to sound Government. Such across-the-board statutory waivers for someone other than a mere advisor is unprecedented and, we believe, inadvisable.

We understand and agree that the employees of the Internal Revenue Service should have an opportunity to be heard in any decisions that may affect them. As we stated in a letter to the Finance Committee, there are standard ways of allowing input from interested parties without allowing the interested party to be the actual decision-maker in a Governmental matter. It is the latter role that is fundamentally at odds with the concept that Government decisions should be made by those who are acting for the public interest and not those acting for a private interest. The one private interest that is being waived in each case for this Board Member is the one most fundamentally in conflict with his or her duties to the public.

On the other hand, we cannot recommend that the waivers be eliminated for the individual appointed to such a position. That elimination would leave this individual extremely vulnerable to charges of criminal conduct for carrying out many Oversight Board actions or for carrying out his or her private duties for the employee organization. The fact this vulnerability exists exposes the pervasiveness of the conflicts for an officer or employee of an employee organization to serve on the Oversight Board.

Rather, we recommend the elimination of the position on the Board that creates such inherent conflicts. The elimination of the position could be coupled with a requirement that the Board consult with employee organizations. While we think a reasonable Board would consult without that requirement, requiring consultation might provide some assurance to the various employee organizations that they will be heard.

The criminal conflict of interest laws should not be viewed as impediments to good Government. They are there for a purpose and should not be waived for mere convenience. Some may point out that certain provisions of these laws are waived by agencies quite frequently. That is true. Some of the laws anticipate circumstances where a restriction could be waived and set forth the standards that must be met to issue waivers. Agencies can and do issue such waivers, but the waivers must meet the tests set forth in the statutes. For those conflicts laws that do provide for waivers (not all do), we believe that it would be extremely difficult for a reasonable person to determine that the interests this individual Board Member will undoubtedly have through his or her affiliation with the organization could meet those waiver tests.

In order to meet our recommendation, we believe the provisions of Subtitle B, sec. 1101(a) should be amended to eliminate proposed sections 7802(b)(1)(D), (b)(3)(A)(ii) and (b)(3)(D). All other references to an individual appointed under section 7802(b)(1)(D) should be removed and wherever a number of members of the Board is indicated (such as a Board composed of nine members or five members for a quorum) that number should be altered to reflect the elimination of this position.

We appreciate the opportunity to express our concerns and our recommendations. These are the views of the Office of Government Ethics and not necessarily those of the Administration. We are available to answer any questions you or any other Member of the Senate may have with regard to this letter or the conflict of interest laws. We are sending identical letters to Senators Daschle, Roth and Moynihan.

Sincerely,

STEPHEN D. POTTS,
Director.

Mr. THOMPSON. Madam President, waiving these conflict of interest statutes establishes a very bad precedent. We have an opportunity here to avoid a serious conflict of interest pitfall, and I hope all Senators will agree and approve adoption of this amendment.

Thank you, Madam President.

Mr. KERREY. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KERREY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Madam President, I would like to speak for a minute on the amendment just offered by the Senator from Tennessee and the Senator from Alabama striking the provision in title I concerning the oversight board and specifically concerning the employee representative on that board, and even more specifically the language that will enable that board member to function on the board; that is to say, language which, by the way, is not precedent setting.

There are many other cases where people have been given protection from very specific areas of conflict of interest in order to be able to do their work. In this case, the only protection against conflict of interest charges is postemployment, since the individual selected from the Department of Treasury is working for the IRS.

Certainly, we want the law to be written so they are able to go back to work with the IRS or do whatever work they had in connection with the employee's representative association without being prevented from doing so. So that is the only protection that this language provides.

There are really three sort of threshold questions that Members have to both ask and answer as they deliberate this particular amendment. The first is one that the Senator from Texas just raised a minute ago, which is skepticism about the nature of this board.

Is this board going to be able to get the job done? I believe strongly it is. It is not an advisory board. It is a board with a considerable amount of power and authority to guide the Commissioner of the Internal Revenue Service. It is a board that has been put together, under statute, to have the skills necessary to be able to advise the Commissioner on a variety of different things and to give the Commissioner input. The board will be making a budget recommendation to the Treasury Secretary. That is a considerable amount of power.

The board will forward three names to be Commissioner of the Internal Revenue Service to the President. The board can also instruct the President they believe the Commissioner should be removed from office. There are other powers enumerated in title I. Certainly one can be skeptical, as one always needs to be with any kind of a board. I may be proven wrong. I think this board will provide a substantial amount of guidance and assistance to the Commissioner. I think the powers that we have given this board are right.

I believe it is as well important to remember that what this legislation is attempting to do is create some balance in oversight. The executive oversight organization, this new board, should give taxpayers a sense that the IRS is more accountable, along with the taxpayer advocate provisions that are also contained in title I. However, it is important for us to make certain that Congress has the right amount of oversight.

The Restructuring Commission that met for over a year—Senator GRASSLEY

and I were both on that Commission—we heard time after time after time the taxpayers, and the providers that are assisting the taxpayers, saying that the biggest problem is Congress. There is inconsistent oversight. There are six committees to whom the Commissioner must come to report. The IRS is not Sears and Roebuck; they have 535 elected Members who are the board of directors.

One of the great tests to discover whether or not we understand what the IRS is doing is asking yourself the question: Do we know what the IRS budget is? Do you know how much we appropriate on an annual basis? It is about $7 billion this year, against about $1.6 trillion of tax revenue. They collect 95 percent of all the revenue that this Congress authorizes. We authorize the moneys that are to be spent and we specify with our tax laws how that money is to be collected and who is to be exempted.

I made the point many times that we talk a great deal on this floor about the need for simplification. One of the most powerful witnesses that the Finance Committee had before us was an individual, a tax lawyer who helps taxpayers, who was pointing out some abuse in our Tax Code. He was saying to us, as long as you tax income, as long as you have a tax on income, it is likely, as income becomes more and more complicated, and more and more complex, it is likely the IRS is going to become more and more involved in making determinations whether or not an individual has voluntarily reported the right amount of income.

And we change our Tax Code. I guess 2 or 3 weeks ago, when the Coverdell IRS bill was passed—I do not want to reargue that bill, but no one can argue that that increased not only the complexity of the Code and requires the IRS to work harder, but we have asked them to now rewrite the Code. That is the 63rd change since 1986.

In addition to that, the IRS is going to have to make certain that people who claim that deduction, claim to be able to use that educational IRA, they are going to have to provide receipts. Because the law says that you can use the education IRA for any expense that is connected to the education of the child in the school, and thus we are going to have to have the IRS out there if something is claimed and they can be audited and have to produce all those records and produce proof. They are not being required to produce the proof and records by accident, Mr. President. They are being asked to produce the records and proof because we wrote a law that said they had to do it.

So one of the things we are trying to get with this oversight board is some balance and get to a point where both the executive branch and the legislative branch can reach agreement on what we want the mission of the IRS to be so they can make good investments in tax system modernization.

The Senator from Alabama is on the floor. He and I started this thing back in 1995 with our oversight efforts in appropriations. We saw that nearly $4 billion had been wasted in the tax system modernization. Every witness, public and private, that came before the Restructuring Commission said the reason, No. 1, is you do not know what you want to use the technology for. You do not get shared consensus. You do not get to a point where you agree—the Congress and the executive branch—what the purpose of the technology is going to be. And as the man said, ''If you don't know where you're going, any road will take you there.''

That is exactly what the IRS has been doing. They have been deploying technology in a very dysfunctional organization, and as a consequence the technology will not do what they promised us it was going to do.

So threshold question No. 1 is, do you think this new oversight board is going to get the job done? I think it will. I think it will dramatically change the kind of accountability taxpayers get, and especially if we combine that with new oversight requirements on the part of the Congress. I am confident that oversight board—in combination with new oversight requirements of the Congress—I am confident that oversight board will increase the accountability and the operating efficiency and provide the Commissioner the kinds of guidance that the Commissioner needs.

Threshold question No. 2 is, who do you want to be on the board? What sort of composition? What sort of makeup? There is very little disagreement. As I hear from colleagues, we ought to have people with private sector expertise. The Senator from Florida earlier came to the floor and asked for some change in the bill to put somebody with small business experience on this board. I think it is very important that we do so. Both Chairman ROTH and I agreed to accept that. That has been altered, accepted, incorporated into the language.

But in addition, Mr. President, we also heard from people who have gone through the restructuring that the IRS is going to go through. And make no mistake about it, Mr. Rossotti, with the new powers that Chairman ROTH has written into this bill that he will have, Mr. Rossotti has a lot of work to do. He is going to go from a three-tier geographical system that has 10 regional centers and 33 district offices—I mean a tremendously complicated geographical organization that started in 1952—he is going to go from that to an organization that is along functional lines: Small business, individual business, large taxpayer and nonprofit; four different functional categories.

There is going to be a lot of personnel decisions to be made and a lot of personnel changes that have to be made. In addition, if he deploys the technology correctly, as we insist he do, and as the electronic filing section of this title of this bill allows him to do, there is going to be a lot of personnel decisions that have to be made.

As we heard in the Restructuring Commission, if you are going to make that kind of tough Restructuring Commission, you are better off having a personnel representative on the board. That is why the employee representative is on the board. We are not putting an employee representative on the board for political reasons, but putting one on the board to make sure you have an individual who can sell and who can persuade and can help get these kinds of restructuring decisions implemented and make certain that there is going to be a minimal amount of resistance on the employees' side.

We heard most eloquently from the new tax authorities in Australia that went through a very similar restructuring as we are doing here. And we took their example, as well as many other private sector people who talked about what happens when you restructure, to say that we ought to have an employee representative on the board.

Now remember, this board lasts for 10 years. It sunsets after 10 years. Congress may decide that it does not need the board at all anymore, may revisit threshold question No. 1 and threshold question No. 2. The composition of the board can be revisited at that time as well. We may, after these restructuring decisions are made, after you have the IRS reorganized along functional lines, and after the technology has been fully invested in and implemented, this Congress may decide that there is no need to have the representative of the employees' association on this board. I feel very strongly going in that we need it. That is a threshold question.

You may find you don't want it. You may have a legitimate belief that, no, that ought not to happen. Fine. But if you are going to have that person on the board—and I believe a majority of this Senate wants an employee representative on the board—if you are going to have an employee representative on the board, make it possible for that individual to do the job.

Why would you put somebody on the board and then neuter him with a statute that says there will be a conflict of interest? That is what this conflict of interest language does. It does not remove this representative from all the other conflict of interest laws in every one of the other private sectors that people have to abide by. It is not a precedent. There are hundreds of individuals throughout Government who have been given similar kinds of protection in order to be able to do their job.

I urge colleagues, as they come down and consider this, because it will be one of the complicated legal, constitutional issues, you have to walk yourself through three questions:

No. 1, do you think this oversight board will do the job? If you don't support the oversight board, it almost doesn't matter what the composition is.

No. 2, do you think you ought to have an employee representative on there to be able to get the support needed to do the tough personnel decisions that this Commissioner will have? Look seriously at new authorities we are giving the Commissioner. They are almost unprecedented. We are giving this Commissioner of the Internal Revenue Service, I think quite appropriately, new authorities to be able to hire, new authorities to be able to fire.

The distinguished Senator from Texas earlier indicated he was going to offer an amendment adding to the list of reasons that an employee can be fired. There are specific lists—I think it is five or six items—that if an employee of the IRS does something, they can be fired for cause. You don't have to go through the normal personnel procedures. Just on the face of it, say if an employee does something like that, they ought to be terminated.

The Commissioner has substantial new authority. They will need the full participation and cooperation of the employees of the IRS in order to be able to get it done.

I come to the threshold question No. 2 and say absolutely yes, we ought to have an employee representative on this board. If you answer that question yes, you have to make certain that the laws are written so the individual can do the job.

What we will have, unfortunately, is a debate about the conflict of interest stuff before we have done whether or not the person ought to be on the board. It is far better for us to take up the amendment that will be offered by some that we not have a Treasury employee representative on the board at all.

If that is your position, if that amendment is successful, we strike the employees representative, the conflict of interest thing is irrelevant. But if we end up with an employee representative on the board—to pass this amendment, which would make it impossible for that representative to do their job—it seems to me to put the cart before the horse and do something I think no Member wants to do, which is basically creating something that will not be able to do the job that we wanted to do.

I hope Members will vote against the Thompson-Sessions amendment. I hope they will listen to the arguments that will be offered in detail by many people who have great experience with conflict of interest law. Listen to the arguments of Senator LEVIN. Listen to the arguments of Senator GLENN. Listen to the arguments of those who understand how it is that we deal with conflicts of interest. We deal with them all the time.

This language is in response to the Office of Government Ethics concerns about this position. They, frankly, take the position they don't want an employee representative on there under any circumstances, no matter what you do. Take that position, but that is a policy decision that we have to make. We have to decide, Do you want an employee representative on? I say yes. Once you have the employee rep, we write the law so the individual is able to do the job. That is what we are attempting to do with the language that the distinguished Senator from Tennessee and the distinguished Senator from Alabama are proposing to strike.

I hope this amendment is defeated. I yield the floor.

Mr. SHELBY. What is the pending business?

The PRESIDING OFFICER (Mr. FAIRCLOTH). The amendment proposed by the Senator from Tennessee and the Senator from Alabama.

Mr. SHELBY. Mr. President, just for a few minutes I will also talk about the IRS reform legislation and a suggestion that I have that I think would improve it. I am at this point in time well aware that the pending business is another amendment, so I will only speak on this subject if I can.

I think perhaps the most important power given to Congress in the Constitution is bestowed to Congress in article I, section 8, the power to tax. This authority is vested in Congress, as the President and Senate know, because as elected representatives, Congress remains accountable to the public, and when they determine tax policy, this should be more so.

Unfortunately, the Internal Revenue Service effectively has the power to raise taxes through the use of its interpretive authority. Therefore, what I want to talk to the Senate and my colleagues about this afternoon for a few minutes is an amendment, which I am not offering now but I will in a future time, which will build upon past legislative initiatives that afforded protections to taxpayers from attempts by the Internal Revenue Service to bypass Congress and raise taxes through the regulatory decrees.

In 1996, Congress passed the Congressional Review Act, which provides that when a major agency rule takes effect, Congress has 60 days to review it. During this time period, Congress has the option to pass what we call a disapproval resolution. The Stealth Tax Prevention Act would expand the definition of a ''major rule'' to include any IRS regulation which increases Federal revenue.

For example, if the Office of Management and Budget finds that the implementation and the enforcement of a rule has resulted in an increase of Federal revenues over current practices for revenues anticipated from the rule on the date of the enactment of the statute under which the rule is promulgated, the rule will be found to be major in scope. Therefore, the amendment, or the legislation that I would like to see us adopt, sooner rather than later, would be to allow Congress to review the regulation and to prevent back-door tax increases on hard-working Americans.

An excellent example of this occurred last year when the Internal Revenue Service attempted to increase taxes through the regulatory process. In this instance, the IRS disqualified a taxpayer from being considered a limited partner if they ''participated in the partnership's business for more than 500 hours during the taxable year.'' The effect of this redefinition would have been to make these individuals subject to a 2.9 percent Medicare tax. President Clinton had included the identical provision in his universal health care legislation in 1994. When the administration's plan failed, the IRS attempted to subject limited partnerships to the same tax increase by using its regulatory powers.

I believe the intent of the Founding Fathers was to put the power to lay and collect taxes in the hands of the elected Members of Congress and no one else—not in the hands of the bureaucrats who are shielded from public accountability, but in the hands of Congress, who is accountable to the American people.

The proposed Stealth Tax Prevention Act that I want to see become law would be particularly helpful in lowering the tax burden on small business, which suffers disproportionately from IRS regulations. I believe Americans are paying a higher share of their income to the Federal Government currently than at any time since the end of World War II. Allowing bureaucrats to increase taxes even further at their own discretion through the regulatory process, through interpretation of the Tax Code, I believe is intolerable.

I believe this legislation is right and should be passed, and it is clearly in the spirit of the IRS reform legislation. This type of legislation would help rein in the power of the Internal Revenue Service and would leave the tax policy where it belongs, to elected Members of Congress, not unelected and not unaccountable IRS bureaucrats. I strongly urge my colleagues to get with me, to join me in the future in an effort to join the National Federation of Independent Business, NFIB, and the National Taxpayers Union, as well as a lot of my colleagues who would be supporting this type of legislation.

The bottom line is that the stealth tax legislation that I have been talking about would improve accountability and it would put it where it belongs—in the hands of Congress and not bureaucrats. I think it is something we have to consider and I believe we will consider in the future. I have talked to the chairman of the Finance Committee about this, as well as other members of the Finance Committee, and they seem to be very interested in this. I am going to try to work with them in the future.

I yield to the chairman.

Mr. ROTH. Mr. President, I say to the distinguished Senator from Alabama that I appreciate the fact that he is not raising it on this legislation before us, because it is not relevant. But

I also sympathize very much with the problem he has identified. I, indeed, would be happy to work with him because I do not think it is appropriate to legislate by regulation. I think that is what he seeks, and that is what I would be pleased to work with him on in the future.

Mr. SHELBY. Mr. President, I appreciate the chairman's statement. I have worked with him before. I just think it is very, very important for the American people that we, as Members of the U.S. Senate and House, should be the people who lay taxes, or reduce taxes, according to the Constitution. But that is not what is happening. The Internal Revenue Service is doing it through the back door. We should do things through the front door because that is the American way, and I think it is accountable. I have worked with the distinguished Senator from Nebraska on this for several years and got some of this going at his suggestion.

I yield to the Senator from Nebraska.

Mr. KERREY. Mr. President, I agree with Senator ROTH. This is a very important matter and issue, and I pledge my full cooperation to work with the distinguished Senator from Alabama as well.

I call to your attention, with the National Taxpayer Advocate, I think, we are going to get pretty close to this issue. In addition, by organizing—and the law requires it—the IRS along functional lines, we will now have small business organized as a single category.

One of the things Mr. Rossotti has already indicated is that he is likely to take some of the secondary recommendations that our Commission made. We have large numbers of relatively small businesses out there who expend a lot of money and don't pay any taxes at all. They have to comply with the code. He believes there may be some opportunity for us to significantly relieve a number of individuals—millions, in his words—that might otherwise have to fill out a form. So I think what the Senator has brought to our attention is a very important problem; it is taxation without representation. It is frustrating. I think we are going to get more accountability with this law, and we are going to have vehicles through the taxpayer advocate to do the very thing the Senator is talking about. I appreciate it, and I pledge my full cooperation to work with him on this.

Mr. SHELBY. Mr. President, I will wrap it up on this point at this time. I am certainly not going to wrap up this issue. I think this issue is just now becoming ventilated here and shared with my colleagues here in the Senate. A lot of us have known this for a long time. But the IRS reform bill that Senator ROTH and Senator KERREY have been pushing here is about, among other things, the agency overstepping its authority and, in a lot of instances, there are horror stories of abusing taxpayers. But I can't think of a worse way to abuse taxpayers than when the IRS raises taxes through the back door, by the regulatory process, and then we think, how did they do this or why did they do this? Why did we give them the authority to do this? Yet, ultimately, Mr. President, we are accountable to the voters, as we should be.

I think this is relevant. I am not going to offer it now in deference to the chairman and the Senator from Nebraska. But I want to make it clear that this is just the beginning of this fight because this makes a lot of sense to the American people.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Iowa.

Mr. GRASSLEY. Mr. President, I would like to speak to the point that the Senator from Alabama just raised. That point would be one of agreement. It would be to say that I have had the experience myself of having to get corrective legislation through. People would be surprised to know that a certain tax law that was in place legally for a long period of time was changed by a faceless bureaucrat, who increased the revenue and taxed somebody in a way where they hadn't been taxed before. And then we have a situation where those of us who want to correct what this faceless bureaucrat did find ourselves not only getting the bill written, finding all of the cosponsors that one needs, but also, then, when you actually get to the point of offering the amendment, you have to come up with an offset because there is supposedly a cost, not from the original legislation, but because some faceless bureaucrat is reinterpreting a tax law, which reinterpretation brings more revenue in; and then, if we want to go back to where Congress originally was, we have to dig up revenue and have an offset to correct something that Congress never intended in the first place.

So you can see that what the Senator from Alabama is trying to do is just to bring a little common sense to the Washington nonsense. I applaud him for doing it and also applaud him for not doing it on this bill. I commit myself to working with him. I would like to, at this point, ask him to see that I am added as a cosponsor to the original bill he put in, which has a number already.

Mr. SHELBY. Will the Senator yield?

Mr. GRASSLEY. Yes.

Mr. SHELBY. I would be glad to add you as a cosponsor. I believe we are going to pick up a lot of Senators on both sides of the aisle, I hope.

Mr. GRASSLEY. Mr. President, we are just talking about common sense. In other words, Congress passes a law. We want to tax at a certain level and a certain group of people. A lot of times those laws have been in place for a long period of time. Congressional intent was followed for a long period of time. And then there is somebody sitting in some bureaucracy—in this case, the Treasury Department—that says, oh, no, that is not what Congress intended; this is what they intended. Then he changes it. We don't have a process for reviewing that. This legislation will give a process for that review. But we will not find ourselves in a position of having to correct something that is contrary to congressional intent, but also with the idiotic situation that we somehow have to come up with revenue to offset a change of policy that we never intended in the first place.

So I applaud the Senator and thank him for not bringing it up at this point.

I yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Alabama.

Mr. SESSIONS. Mr. President, first, I would like to say that I appreciate very much Senator SHELBY's suggestion for reform of the unilateral ability of IRS to increase taxes. I would like to ask my fellow Senator from Alabama if he would allow me to be a cosponsor of that.

Mr. SHELBY. Will the Senator from Alabama yield to the other Senator from Alabama?

Mr. SESSIONS. Yes.

Mr. SHELBY. I would be happy to do that. I think what we need to do in the next few weeks, working together with some of my colleagues like Senator KERREY and others on the other side of the aisle, is to let our colleagues know what this is and what it does. If we pass this legislation in the future, it is going to be another step toward accountability for us with the American people. I think it is very possible. I will be glad to add the Senator on.

Mr. SESSIONS. I thank the Senator very much.

Mr. President, I would like to first congratulate Senator ROTH and his committee on their effort to reform the Internal Revenue Service. I think they have made great progress, and the bill is to be greatly praised, is long needed, and I am delighted to see where we are discussing this matter.

I do, however, feel that it is important to join with Senator FRED THOMPSON of Tennessee, who spoke earlier this afternoon on his proposal to not waive applicable conflicts of interest laws with regard to individuals who sit on the IRS Oversight Board. I do not believe this is the appropriate thing to do. I believe we need to deal with this forthrightly. It should not be allowed to happen.

Mr. President, I spent almost 15 years as a Federal prosecutor. I prosecuted criminal cases on a regular basis. I personally tried judges and public officials for fraud and corruption. My office did many of those cases. It was an insidious thing as it occurred.

We have crafted over the years a series of laws that are designed in such a way that those laws protect the public from conflicts of interest and other types of unhealthy relationships that would put that person in office in a position in which his total fidelity is to

anything other than the government which he represents. That is what we are looking for. Somewhere in the Book of Ecclesiastes the preacher said ''A bribe corrupts the mind.'' A conflict of interest corrupts the mind. The person is torn. You cannot serve two masters. You can only serve one master. A member of a board of the oversight of the Internal Revenue Service ought to have a clear mind with one motive, and that is to improve and enhance the effectiveness of that institution which is fundamentally necessary. At least under the present Tax Code it is necessary.

So I believe this is an important matter. I would like to share with the Members of this body the Code sections of the law that would apparently be violated and could potentially clearly be violated by an appointment of the kind suggested here; that is, a member of the Internal Revenue Service Union on the oversight board.

This is suggested in this fashion: It follows under the rubric of bribery, graft, and conflict of interest in the United States Code. It is title 18 U.S. Code, section 203. It makes it a crime to seek himself or agree to receive any compensation as an agent or attorney for a third party when a person is working as an officer for the Federal Government.

We are talking about appointing a member to the board representing the Federal Government helping us to develop an effective Internal Revenue Service while at the same time receiving compensation as a union official in an organization that may well have a conflict of interest with the Internal Revenue Service. They are advocates. There is nothing wrong with that. Union members are advocates. Their commission, their heart and soul is committed to getting the maximum return for their members. It is not the same interest as a member of the board should have, which is in the public interest. You can't serve two masters.

I suggest that is a potential violation of the law if this member were to be on the board. It is not theoretical. We are talking about real conflict.

Section 205 of title 18 of the Criminal Code makes it a crime for any Federal employee to appear as an agent or attorney on behalf of anyone in a proceedings to which the United States is a party.

In other words, you can't have a Federal employee of the Government appearing in an action against the Government. Frequently the union is contesting with the Government. So now we have a person on one side of the lawsuit supposedly having his responsibilities solely to the best interest of the public of the United States at the same time being paid to represent his union members who may well be standing against what that interest is.

Title 18 of section 207 makes it a crime to make certain communications to an official of the Federal Government on behalf of any other person if the communications are made with intent to influence.

It makes it a crime to make certain communications to an official of Government on behalf of any other person if they are made with the intent to influence. This section is a dangerous section for any board member who is an officer of the union. It was designed really to deal with post-employment communications. But in this instance he would obviously be making communications both ways.

Title 18, section 208, is the general conflict of interest provision for the United States. It makes it a crime for a Federal employee to participate ''personally and substantially'' in any way in a matter where he himself, his family, a partner or others have ''a financial interest.''

This individual is paid by the union. It is in his financial interest to do the best bargaining he can, the most money and benefits he can for his union members. Yet he is serving on the offer side, the board, that is supposed to be protecting the public interest.

I would say, first of all, that I see there is a real danger that this member, if appointed as suggested, would in fact be in violation of any one or perhaps all four of those criminal statutes. If any of these violations are committed—and there are penalties of up to 1 year in jail for violation of them, and if any of them were done willfully the penalties go up to 5 years in jail, and are a felony. What is willful? It is knowingly and with intent to violate the law. I would say, first of all, we have four potential violations of criminal law by this appointment.

The Finance Committee to its credit recognized there was a problem. Well, they should have. There is a problem. And it is not theoretical. It is very real because the member they want to put on this board has a conflict of interest.

They say, ''Well, let's just change this law. Let's pass as part of our bill a proposal to exempt them from it, and just say it won't apply to this nominee to the board. And that would solve all of our problems.'' Well, I wish it were so simple that we could do that. You can call a cat a dog but it is still a cat. You can say there is no conflict of interest but it is still there under these circumstances. That is what the law was passed for.

I think we need to give some real credit to the Office of Government Ethics.

Mr. President, I serve on the Senate Ethics Committee. We hear complaints periodically. Many of them are not well founded at all. But we go over them one by one. Staff people analyze them. We read the Code and we see if we have a conflict of interest. If we do, we deal with that. A lot of Senators have been severely damaged because of founded ethics complaints against them over the years.

But I would just say to you that it is important for this institution to make sure that what we are doing is consistent with the highest possible standards of ethics and law in this nation.

The Office of Government Ethics took the extraordinary step on May 1st of writing a letter dealing with this special project; this very special thing. This is what they said.

First of all, they said the criminal conflict of interest laws should not be viewed as impediments to good government. What does that mean? Criminal conflict of interest laws should not be viewed as an impediment to good government. In other words, what they are saying is the criminal ethics laws are for good government. They are not trying to stop good government. They are trying to stop conflicts of interest that lead people in the position that they cannot effectively carry out their duties.

They go on to say—I am quoting directly—these laws ''are there for a purpose and should not be waived for mere convenience.''

Mr. President, I totally agree. I know it sounds like, well, we just have a problem. This is just a technical thing. We can just pass this law and exempt this board member from it, and that will be the only board member on the Commission exempt from the ethics law, the only one, but we will just do that because, well, it is convenient. We would like him to be on the Board, and we will just waive the ethics law. But you can't do that and expect it to go away. There is a conflict of interest that the law legitimately was set up to prohibit to make sure that we have an uncorrupted individual on that board. A member who does not have influences on them financially or otherwise that would cause them to do acts that are not in the public interest. I believe very sincerely that we have to deal with this issue and that it will not go away.

We must not do this. It would be a downward slope, a retreat from high standards of ethics—actually, a retreat from basic ethics. This isn't some gray area; this is flatly prohibited by present criminal law for which you can get 5 years in the slammer. U.S. attorneys are prosecuting people who do these kinds of things with these kinds of conflicts. To pass a law to say everybody else has to adhere to them except for one individual because he or she is special is a big mistake.

I can see how people may have not thought it through. I hope all Members of this body will give it most serious thought. It would be a mistake for us to blithely go along and think this waiver of the ethics law is just a mere technicality and see it as somehow an impediment to good Government. As the Government Ethics Office said, it is not an impediment to good Government; it is good Government. And it is put there for a purpose and should not be waived for mere inconvenience.

Mr. President, I certainly know that the members of this committee, the Finance Committee, who worked so hard,

are determined to reform the Internal Revenue Service. I know they want to do what they can. I know they want the influence of the IRS's members who have insight into how this enterprise ought to be operated. They have some good insight, and they have made some good, constructive comments to this legislation. But there are other ways, as the Government Ethics Office suggested, to allow them to have input. There are other ways to allow them to be able to shape any kind of rules, regulations or reforms that are made. There are ways to do this without giving up the fundamental principle that a man or woman can only serve one master, not two, and should not be holding public office with a clear conflict of interest.

I thank the Chair. I urge my fellow Senators to vote against this proposal.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Iowa.

Mr. GRASSLEY. Mr. President, I find myself this afternoon speaking against a lot of my friends with whom I generally agree most of the time, and so I am somewhat chagrined that I have to oppose my good friend from Alabama and the position he has just taken as he spoke in favor of the Thompson amendment. I rise in opposition to it.

This amendment is not about conflict of interest laws. That is not its intent. It is about having an employee representative serve on the oversight board. I believe very strongly that we must have the employee representative on this oversight board. As you have already heard Senator KERREY say, he agrees with that. We both had the honor of serving on this National Commission on the Restructuring of the IRS. We were the only two Senators to do so. I think our year's experience there taught us something, and that is the value of having people who speak for and work with the employees, other than in a management capacity, to show their good intent, that they want Government to function in an efficient manner and to serve the customers well.

That would be true of Rob Tobias, who is the current President of the National Treasury Employees Union. He served with us on this Commission. I was very impressed with him and with his work. With his hard work and support, the Commission, by a very strong majority—we probably would have had a majority otherwise, but such a slim majority that I don't feel we would be here with such a strong piece of legislation as we do now—issued a report that calls for far-reaching reforms at the IRS. The employees organization and their representative contributed substantially to this report and to making sure there were strong, substantive recommendations.

I believe that he or another employee representative will have the same effect while serving on the IRS Oversight Board. He and the members of his organization want real change at the IRS. The IRS employees care about where they work and how they serve the people. They want the IRS to run smoothly and their customers to be happy with the service they receive. They are caught up today in this culture of intimidation, a culture that says, ''We don't care anything about the taxpayers, we don't care how we treat the taxpayers,'' whether as a taxpayer or just as an American citizen who is doing business with them. I believe they want to take pride in where they work and the actions of the Internal Revenue Service. The employee representative will help ensure that the oversight board makes this happen.

For this reason, Senator KERREY and I included an employee representative on the IRS Oversight Board when we introduced the first IRS restructuring bill last July, S. 1096. For this reason, we offered the amendment that put the employee representative back on the oversight board during the Finance Committee debate because the chairman's mark did not have this in it.

Now, remember, the House of Representatives passed their bill by a vote of 426 to 4—426 to 4—and that bill in the House had an employee representative serving on the oversight board. We have strong support for this principle. If we are going to have an employee representative then on the oversight board, we need to let him do more than just serve the coffee while the meetings are going on, because if we do not have this language in the bill that the Thompson amendment wants to take out, he would not have the same power that we give to other members of that oversight board. Otherwise, we lose the benefit of that expertise. Otherwise, we lose the benefit of the enthusiasm of the organization and its representative to make real change at the Internal Revenue Service. Let me say, in short, otherwise, we are just simply wasting our time. This is a part-time advisory board. Consequently, it is a good place to use his advice.

The bill before us, as drafted, sets up additional requirements that the employee representative must meet. I would like to read from the committee report.

> The employee representative is subject to the same public financial disclosure rules as a private life board member. In addition, the employee organization is required to provide an annual financial report with the House Ways and Means Committee and the Senate Finance Committee. Such report is required to include the compensation paid to the individual employee by the employee organization and membership dues collected by that organization.

In addition, this person must have been confirmed by the Senate of the United States before serving on the IRS Oversight Board. These laws have been waived for similar purposes before. This is not new; it is not landmark. The point being made— that everybody should abide by the same laws—albeit true, but remember, as Senator KERREY said, we make those laws. We are making this policy to make this person an effective member of the IRS Oversight Board.

I conclude by saying that the conflict of interest laws are designed to alleviate hidden conflicts of interest. Now, this employee representative has no hidden agenda. We know who he works for. And guess what. The employee representative on the board works for an organization that represents employees. Again, the issue is not waiver of laws. The issue is having an employee representative being able to serve, and effectively serve, on the oversight board. This, of course, is a back-door way, if this amendment were to be adopted, to get rid of the employee representative. Or, if he wasn't gotten rid of, it would be making him an ineffective member of the oversight board, gutting the main intent that we have of his inclusion on the board, because we think there can be a contribution, a real contribution, made.

So, in my opinion, if my colleagues would accept my year's work on this issue, being a member of this IRS Restructuring Commission, I ask my colleagues to vote against the Thompson amendment. After my work on the National Commission on Restructuring, I think, regarding the bill we have, and even a much stronger bill that we have now because of the work of the Senator from Delaware on the legislation, improving it very much as a result of the committee hearings, we need to move forward. This would really cause problems if this person is not able to serve on this board.

So I emphasize again, this was in the House Ways and Means bill. It was approved by the House of Representatives by 426 to 4, to have an employee representative on the board.

I think all the arguments are very strong. I make no apologies for those arguments and would want to have this amendment defeated, the Thompson amendment.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware.

Mr. ROTH. Mr. President, first, I would like to say I regret I cannot agree, on this particular issue, with my distinguished friend from Iowa, for whom I have the greatest respect. We are, more often than not, on the same side of an issue. But, because of the overwhelming arguments, at least in my judgment, to the contrary, I must rise in strong support of the amendment offered by the Senators from Tennessee and Alabama.

This amendment would strike the special waiver of all the criminal conflict of interest laws that were necessary to accommodate having an IRS employee representative on the IRS oversight board. Let me say that what I say today in no way is in disrespect to the individual who would probably be the employee representative, Mr. Tobias. By all reports, he is a most dedicated, informed man. But, as I

said, the problem is that this amendment would strike the special waiver of all the criminal conflict of interest laws that were necessary to accommodate having such a representative, and waiving all the conflict of interest laws is bad policy. It establishes very bad precedent.

When this issue was debated during the Finance Committee markup session, the Deputy Director of the Office of Government Ethics, the office that was set up and created to ensure that conflicts of interest do not arise in the Government, testified that she was not aware of any case where all the criminal conflict of interest laws have been statutorily waived for a single person.

Last Friday, the Director of the Office of Government Ethics, in identical letters to the majority leader, the minority leader, Senator MOYNIHAN, the ranking member, and myself, said that waiving the conflict of interest laws for one board member, ''is antithetical to sound Government ethics policy and thus to sound Government. Such across-the-board statutory waivers for someone other than a mere advisor is unprecedented and, we believe, inadvisable.''

Let me repeat, this statement that it is inadvisable comes from the Office of Government Ethics.

I ask unanimous consent a copy of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, May 1, 1998.

Hon. TRENT LOTT,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR MR. LEADER: This Office has reviewed H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1998, as it has been reported by the Finance Committee and, we understand, is soon to be taken up by the Senate. At the request of both the majority and minority, we provided technical assistance to the Finance Committee staff with regard to drafting the language of provisions setting forth the ethical considerations for the Members of the Internal Revenue Service Oversight Board. We believe those provisions are written in a clear and technically correct manner.

However, one provision of the bill, the proposed 26 U.S.C. §7802(b)(3)(D), provides for waivers of applicable conflict of interest laws for one Member of that Board. We believe that this provision is antithetical to sound Government ethics policy and thus to sound Government. Such across-the-board statutory waivers for someone other than a mere advisor is unprecedented and, we believe, inadvisable.

We understand and agree that the employees of the Internal Revenue Service should have an opportunity to be heard in any decisions that may affect them. As we stated in a letter to the Finance Committee, there are standard ways of allowing input from interested parties without allowing the interested party to be the actual decision-maker in a Governmental matter. It is the latter role that is fundamentally at odds with the concept that Government decisions should be made by those who are acting for the public interest and not those acting for a private interest. The one private interest that is being waived in each case for this Board Member is the one most fundamentally in conflict with his or her duties to the public.

On the other hand, we cannot recommend that the waivers be eliminated for the individual appointed to such a position. That elimination would leave this individual extremely vulnerable to charges of criminal conduct for carrying out many Oversight Board actions or for carrying out his or her private duties for the employee organization. The fact this vulnerability exists exposes the pervasiveness of the conflicts for an officer or employee of an employee organization to serve on the Oversight Board.

Rather, we recommend the elimination of the position on the Board that creates such inherent conflicts. The elimination of the position could be coupled with a requirement that the Board consult with employee organizations. While we think a reasonable Board would consult without that requirement, requiring consultation might provide some assurance to the various employee organizations that they will be heard.

The criminal conflict of interest laws should not be viewed as impediments to good Government. They are there for a purpose and should not be waived for mere convenience. Some may point out that certain provisions of these laws are waived by agencies quite frequently. That is true. Some of the laws anticipate circumstances where a restriction could be waived and set forth the standards that must be met to issue waivers. Agencies can and do issue such waivers, but the waivers must meet the tests set forth in the statutes. For those conflicts laws that do provide for waivers (not all do), we believe that it would be extremely difficult for a reasonable person to determine that the interests this individual Board member will undoubtedly have through his or her affiliation with the organization could meet those waiver tests.

In order to meet our recommendation, we believe the provisions of Subtitle B, sec. 1101(a) should be amended to eliminate proposed sections 7802(b)(1)(D), (b)(3)(A)(ii) and (b)(3)(D). All other references to an individual appointed under section 7802(b)(1)(D) should be removed and wherever a number of members of the board is indicated (such as a Board composed of nine members or five members for a quorum) that number should be altered to reflect the elimination of this position.

We appreciate the opportunity to express our concerns and our recommendations. These are the views of the Office of Government Ethics and not necessarily those of the Administration. We are available to answer any questions you or any other Member of the Senate may have with regard to this letter or the conflict of interest laws. We are sending identical letters to Senators Daschle, Roth and Moynihan.

Sincerely,

STEPHEN D. POTTS,
Director.

Mr. ROTH. Senators note importantly, I think, how we are a nation of laws and we are, indeed, a nation of laws. When it comes to Government service, perhaps the most important set of laws is the criminal conflict of interest laws. Many of these laws trace their origins back to the Civil War era. They were enacted in the 1860s in response to misconduct in the procurement process. These laws embodied the principle that a Government servant, even a part-time servant, has an overriding responsibility to serve the best interests of the American public. The punishment for violating this public trust includes imprisonment of up to 5 years and penalties of up to $250,000. The severity of the penalties reflects the critical importance that these laws play in our Government. They serve to protect the public's trust in Government employees and the laws are designed to prevent Government employees from taking actions that could jeopardize this public trust.

Let me give a few real-life examples of what could happen if the conflict of interest laws are waived for the IRS employee representative. Just suppose that a representative of the IRS employees union serves on the oversight board and the union files a lawsuit against the oversight board. If the conflict of interest laws are waived, the union representative could work with the union in preparing the lawsuit and at the same time—at the same time—work with the oversight board in defending against the lawsuit. Taxpayers would be outraged by this conduct, and rightfully so.

Just suppose the union is asked to make a formal presentation to the oversight board. The union representative can make the formal presentation and then participate in the oversight board's deliberations with respect to the presentation. What message does this send to the taxpayer? What does this do to the public trust in Government employees and in what Congress is trying to do to improve the IRS?

Let me quote again from the letter by the Office of Government Ethics:

> The criminal conflict of interest laws should not be viewed as impediments to good Government. They are there for a purpose and should not be waived for mere convenience.

Mr. President, the criminal conflict of interest laws should not and must not be waived for a single individual. To do so would seriously erode the sacred trust that the public has placed in its employees to do what is in the Nation's best interests. For these reasons, I strongly support this amendment and I urge my colleagues to do the same.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Nebraska.

Mr. KERREY. Mr. President, again, I say to colleagues there is a three-part test that one has to go through in this regard: A, do you want an oversight board; B, who do you want on the board; and, C, how are you going to deal with apparent conflicts of interest?

The conflict of interest issue is a very serious issue and, indeed, our committee, in order to confirm Mr. Rossotti, had to deal with that. We wrote an agreement, a letter, I believe, of understanding between Mr. Rossotti, a private sector individual with significant private sector interests who was willing to come in and serve his country in the Government.

I talk to colleagues all the time about one of the problems we have in

Government today is it is getting harder and harder to get anybody to serve. Why? Because there is a perception that as soon as you come in and work for the Government that somehow you are going to be the crook.

I would be real careful with some of the rhetoric on this particular issue. We made an exception with Mr. Rossotti as a consequence and concerns about conflict of interest, and we didn't ask the Office of Government Ethics to comment on him, but we did on this one because many in the committee don't like this idea of having an employee representative on the board, nor does Government Ethics.

Let me talk about this idea of conflict of interest. According to the Office of Government Ethics, at least 609 exemptions under section 208(d)(1) were granted in 1997. Why? It is very important to understand. Why did we grant an exemption? The answer is because we have an interest. There is an important interest involved here, something that we want to do. So we find ourselves saying the interest is not so substantial as to be deemed likely to affect the integrity of the services which a government may expect from such officer or employee. That is the standard we use.

There were 609 exemptions granted because we have an interest in making certain that something gets done. That is what we have here. One of the worst excuses—I used to be in business before I got into politics. One of the reasons I got into politics is I got worn out listening to people say, ''I know what you are asking for is right, but, gosh, if I have to do it for you, then I have to do it for everybody.''

There is nothing more frustrating than to have somebody say, ''I don't want to set a dangerous precedent here.''

We need to decide what is right. Is it in the Nation's interest in an effort to restructure the IRS that is going to require significant and, I argue, traumatic personnel decisions, to have a representative of the Treasury employees' association on there? They represent 95 percent of over 100,000 employees. And we answered yes. The House answered yes. The Restructuring Commission answered yes, because there is an interest that we have.

Do we waive all conflict of interest requirements? Members should remember, every member of this board has to be recommended by the President and confirmed by the Senate. We all know around here, you can file a hold on anybody for any reason you want. If there is a conflict of interest, file a hold. That individual is likely never to get confirmed. In addition, for cause this individual can be removed at any time. The President can remove the individual from the board as a consequence of something they see they don't like, something they see they view as a perception of a conflict of interest, let alone a real conflict of interest.

Lastly, I will say if this individual is guilty of a conflict of interest, there will be charges filed against him or her and, indeed, every single member of this board is going to have to file an annual report indicating what their financial holdings are in order to avoid a conflict of interest.

Again, we all understand it is getting increasingly difficult to get people to serve because of the invasive nature of the examination. Talk to a friend of yours who has had an FBI background investigation. Gosh, they are out there talking to people you knew in the fourth grade. You wouldn't want to talk to people I knew in the fourth grade to find out whether I am going to be able to serve on some board or commission.

Let me just list for colleagues who are worried about this conflict of interest—we decided there is an overriding interest to have an employee representative on there as a consequence of the tremendous and traumatic changes that are going to occur over the next couple of years as the new authorities of this Commissioner are used to reorganization and restructure the IRS.

In addition, this representative is going to be required to have full, public, financial disclosure by the employee organization represented. All members of this oversight board will be required to do that. In addition, the employee organization is required to file detailed financial information with the House Ways and Means Committee and the Senate Finance Committee. The information would include membership dues and compensation of all employees.

In addition, it requires the employee representative to be subject to all the conflict of interest statutes applicable to special Government employees, except to the extent they apply to the employee organization.

Mr. President, as Members no doubt know, we have a bill and a thing called a report. It says, ''The Internal Revenue Service Restructuring and Reform Act of 1998, April 22, 1998.—Ordered to be printed; Mr. ROTH, from the Committee on Finance, submitted the following Report.''

This report describes the rationales and reasons for doing all these things. Let me read to colleagues who are wondering about this thing and really whether or not you want an employee representative on this board. As I said, if you do, you have to give that individual the authority and power to be able to do something, and we have made a judgment as a consequence of that overriding interest that we are going to write language in here that deals with apparent conflict. It doesn't waive all other conflicts, as I have just tried to address. But even the report does that. Let me read it to you:

> In general, the bill provides that the employee representative or Board member is subject to the same ethical conduct rules as private-life Board members.

Let me repeat this, because there is an inference in some of the statements down here that somehow we are waiving all conflict of interest rules. Not true. This individual is going to be subject to the same ethical conduct rules as private-life board members.

> However, the bill modifies the otherwise applicable ethical conduct rules so that they do not preclude the employee representative from carrying out his or her duties as a Board member and his or her duties with respect to the employee organization.

That is all we are doing. We say there is an overriding interest. We have to make sure the employee can carry out their job, so we provide specifically language in here that enables them to do it. Otherwise, why put them on the board?

> In particular, the employee representative is not prohibited from (1) representing the interests of the employee organization before the Federal Government; (2), acting on a Board matter because the employee organization has a financial interest in the matter.

They are precluded from conflicts dealing with procurements. They are precluded from taking bribes. They are precluded from all the other things that other board members are precluded from doing. All the rest of the things that all the board members are precluded from doing, this individual will be as well. Indeed, in the footnote, it says:

> Certain limitations to this exception to the otherwise applicable ethical rules would apply.

The rules pertaining to bribery would continue to apply. In addition, the representative would be acting on a matter in which he or she has a financial interest.

If some U.S. attorney, some prosecutor wants to bring charges against any member of this board for violating conflict of interest statutes, they are going to be able to do it. Everybody who has asked, whether it is by this President or future Presidents, ''Gee, Mr. and Mrs. Jones, would you be willing to serve on this board?'' They understand what is at stake. They understand the nature of American politics today. They understand if you walk into the arena willing to serve your country, you may find yourself saying, ''God, I wish I never said yes. All of a sudden I am more miserable than I thought I ever would be, because somebody has an ax to grind or grudge to fulfill is going after me all of a sudden.''

We have made a decision that we think as a result of the tremendous decisions that are going to have to be made by the Commission to restructure an organization that has 100,000 human beings—these are family people; these are people who have good jobs and are trying to get the job done. All they are doing is trying to execute our law.

One of the most amusing things down here is to hear people talk about the IRS as if they think it is a Sears and Roebuck or some private organization.

It is like the kiss of the Spider Woman. We are the creator of the IRS. We write the laws here.

In response to the OGE's concerns, we put language in here, and even OGE says we have adequately taken care of it. They just don't want an employee representative on there at all, no matter what you do with the law. No matter what you do with the language of the law, they are going to take the position that an employee representative shouldn't be on there.

Fine, let them take that decision. We made the decision we want that employee representative on there, and once we made that decision, we have to make certain we deal in a reasonable way so that with the law, that individual can do what we have asked them to do.

I have great respect for the Senator from Alabama and the Senator from Tennessee and, obviously, the distinguished chairman of our committee. I hope this amendment will be rejected.

I ask if the chairman—we have had two votes today, and we have, I think, somewhere in the neighborhood of 50 amendments that we are likely to deal with. The majority leader indicated he would like to wrap this up tomorrow night. I am wondering if we can get a time agreement. We have a couple others that are fairly contentious that it seems to me we need to get down here.

I would hazard the guess that nothing I have just said is going to persuade anybody one way or the other. This is one where everybody has pretty well made their minds up. Maybe they will be persuaded because of the eloquence and the logical manner of the chairman, but I think this is one where people have made up their minds. So let us insert our statements in the RECORD and go to a rollcall vote so we can get to the final passage of the bill, as the majority leader wants to, by tomorrow night.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Delaware.

Mr. ROTH. Let me say, on this question of completion of consideration of this legislation, I strongly agree that we want to move as expeditiously as possible. It is my intent that we will complete the legislation tomorrow, staying as late as may be necessary.

Mr. President, I would like to respond to some of the earlier comments made on the granting of waivers to the conflict of interest laws. I would like to point out that the waiver granted Mr. Rossotti was made by the same Office of Ethics that made a very persuasive argument here that we should not waive the criminal conflicts of interest as has been done under the legislation.

Let me point out that there is a major difference between receiving a specific agency waiver under section 208 of the ethics law, which is what the Senator was referring to, and a wholesale statutory waiver of all the conflict of interest laws, which is what is contemplated in the IRS bill.

Again, what Mr. Rossotti got was a specific agency waiver under section 208. To get a specific agency waiver under section 208, the employee must disclose the situation which gives rise to the conflict, and the agency need only to determine that the conflict—and I quote—''is not so substantial to affect the integrity of the services which the Government may expect from the employee.''

The problem with the IRS employee representative is that the conflicts are so substantial and pervasive that the representative would almost never qualify for a waiver. And that is not my conclusion, that is the conclusion of the Office of Government Ethics. Quoting from their letter dated March 27, 1998, the director wrote:

> While section 208 does contain a waiver provision, it applies only where the financial interest involved is ''not so substantial'' as to be deemed likely to affect an employee's service. We believe that it would be almost impossible for an officer of a union to legitimately meet the test set forth in the statute because of his own and the union's financial interest that would be affected by the matters before the Board.

The director repeated this point in his letter dated May 1, 1998, saying:

> For those conflicts laws that do provide for waivers (not all do), we believe that it would be extremely difficult for a reasonable person to determine that the interests this individual Board Member will undoubtedly have through his or her affiliation with the organization could meet those waiver tests.

The quoted language also raises a second important point, which is that some of the conflict of interest laws do not provide for waivers at all.

Mr. President, the bottom line is this: A statutory waiver of all the criminal conflict of interest laws for one person is simply wrong, it is very bad policy, and it establishes a dangerous precedent.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. ROTH. Yes. I will be happy to.

Mr. SESSIONS. I say to the chairman, do you see what we are doing here, as a matter of principle, any different than if this body were to pass a law to exempt an individual from the bribery laws?

Mr. KERREY. I hope the answer is no, for gosh sakes. We understand what the nature of bribery is.

Mr. ROTH. Yes. A bribery law is part of the criminal code. I would not exempt it.

Mr. SESSIONS. This is a criminal provision. We have been using the word ''ethics,'' but it is really a criminal provision, isn't that right, Mr. Chairman?

Mr. ROTH. That is correct.

Mr. SESSIONS. Criminal law of the United States. And I can see, therefore, why the Ethics Committee would suggest it was unprecedented that the U.S. Congress would pass a law to exempt someone from the criminal law of the United States. I hope that is unprecedented. And my complaint, I say to the chairman, just simply is this—to say that I understand what the Senators have been trying to do. I understand their good intent. But I think we are confusing ourselves with the law of the United States. This is a very bad thing. It is a very bad policy. It should not happen. And we need to vote on it. I appreciate the chairman yielding.

Mr. KERREY. Mr. President, I don't know on what basis the distinguished Senator from Delaware answers the question that, yes, it is like giving an exemption to bribery law. In our own report, we say the rules related to bribery would continue to apply. I mean, that is a red herring, raising the issue of bribery. Look, I feel like I am arguing the red queen here.

We made a decision as a consequence of an overriding interest that we want a Treasury employee representative on this board. Why? What is the interest? Do you want to get the restructuring done or not? No? You are opposed to it? Fine. Say no. But our Commission heard from people, both in the private sector and the public sector, that have done this sort of thing. They said, ''Folks, if you want to get the job done''—understand we're talking about traumatic changes in how people work. You can imagine, we would want a Senate representative on a board that was going to be restructuring this place. Do you think anybody would say, ''Gee, we've got a conflict. We can't sit on a board that might reduce the number of people here from 100 to 80''? I don't think so. I think one of us would want to be on that board. And we would write to the Office of Government Ethics and say, ''To heck with you. We'll figure out a way to get it done.''

That is what we are talking about here. The employee representative will enable us to get the job done. We have to have a substantial reduction in forces as a consequence of this restructuring. It is going to be traumatic. It is going to be difficult. And over and over I have said we heard from both public and private sector people: Get somebody who's going to have to sell this thing on this board.

So now you are left with the question, how do I do that? Obviously, they still represent the employee's union. Obviously, they still have a job responsibility out there in some fashion. Well, we have to deal with that specific conflict. It is not a carte blanche, broad-based waiver that includes such things as bribery. Come on.

If you do not want a Treasury representative on there, don't put him on there. If you think the law is going to produce a conflict, well then, file a complaint, and go down to the Government Ethics Office and say this individual has a conflict. Any citizen is going to have the opportunity to do that.

But I caution Members. That is why we are having a tough time getting anybody to serve. We go through this

nominating process all the time around here, and we find ourselves with friends saying, ''My gosh, I don't want to serve in that capacity. Look at all the things I've got to go through in order to be a public servant today.''

Mr. Rossotti is a very good case in point—a very good case in point. A strict interpretation of the ethics rules would have caused us to say, ''Mr. Rossotti, I understand that you are willing to say yes to the President, but we have to respectfully say no. We are just not going to do it. We're not going to allow you. You have all this private sector experience, all this management experience, but it's a conflict. You've got ownership of stock in a company that does business with the IRS, therefore, you're disqualified.''

That is what we are dealing with here. The Commissioner of the IRS has a company that does business with the IRS. Now, can we deal with that? The answer is absolutely yes, because it is a compelling interest to get it done. Likewise, there is a compelling interest as a result of the traumatic change.

I ask any Member here, again, if there was a board out there that was going to make a decision that could reduce in force the number of people in the Senate from 100 to 80, would we say, ''Well, we don't need to have a representative on there because we have a conflict''? I don't think so.

We asked to be on the board, and we deal with the Office of Government Ethics, and we figure out a way to make certain that conflict is narrowly drawn, because of the overriding interest of the employee representative on the board who will make these decisions.

If you don't want the board, fine; I understand that. The Senator from Texas is skeptical about the board. Skepticism in many ways is deserved. You never know if the board will be great or not. I think it will be great. If you don't want an employee representative, fine; say so. But please don't get down here and say that we are doing something comparable to waiving the bribery statute. That is not what we are doing.

We are going to have a very, very difficult time if this degenerates into a debate about loosening up our ethics law to allow all kinds of criminal conduct. We are not doing that. It is a narrowly drawn exception to enable the individual to do a job we want the individual to do.

Mr. BAUCUS. Essentially, the amendment offered by the Senator from Tennessee is an amendment to take an employee off the board. That is the point. The real question we have to ask ourselves is: Do we want this restructuring to work or not? We create a Board, give the Board certain powers, and the Restructuring Commission, led by Senator GRASSLEY from Iowa and Senator KERREY of Nebraska, concluded there should be among board members an employee representative. That was their conclusion. They believed that would help restructuring work.

Why? Because so many of the problems that we have with the IRS, most of the problems that were documented at the Finance Committee hearings, are employee problems—that is, rogue employees, employees who were covering up, employees doing this or that. Also problems with managers—some of them were doing their job, some were not.

Obviously, an employee who is on the Board will be able to tell the Board what is going on, what is not going on, what the views of the employees are, and so forth.

Now some suggest that the Board should just consult with employees. That will not work. You need somebody there on the Oversight Board who will be able to not only report to the employees what is going on, but be able to send back to employees what board policy is if we are going to get restructuring to work.

We need teamwork here. We don't need an adversarial relationship. We are not talking about Board versus employees. We are talking about a Board which will make restructuring work. Just think about it. An employee on the Board will help make this work.

If you want an employee, you want a good employee; right? You want a good representative on the Board. How do you make sure you get a good, solid employee on the Board? First, you have the President appoint the employee. That is the what the bill provides. Obviously, the President will appoint somebody he or she thinks is a person who will do a very good job because it is in his interest to make IRS restructuring work.

What is another check? Confirmation by the Senate. I say to my colleagues, if you don't like the employee representative that the President nominates to the Board, you can vote against him or her. During the confirmation process, you have an opportunity to check into the background of this appointee. You can check to see whether this is a good or bad person. That is a real good check which will enable you to get a sense whether this is a person who has conflicts or who will be a public servant—who will be narrowly representing his or her private interests or his or her organization. You can get a sense of these matters through the confirmation hearings.

In addition to that, the President can remove any Board member, including the employee representative, at will—that is, without cause, at will.

Finally, the employee representative is subject to the same restrictions as the private life Board members; examples are the disclosure requirements and the 1-year restriction after service on the board.

Now, the main point here is: If you are going to have an employee on the Board, how do you make sure that there are no conflicts of interest? I remind my colleagues, when this bill passed the House 426–4, there were no restrictions; there was no waiver provision in the bill. They just said, OK, have an employee. Well, we have improved the bill by rewriting this provision.

I remind my colleagues, all the conflict of interest statutes apply to the employee representative, except for the very narrowly tailored situation where conflicts arise because of his status as employee representative. That is, because the employees he represents work for the IRS and he or she is compensated by the employee organization. Otherwise, all conflict of interest statutes apply.

The comparison was raised about these waivers being like waiving violations for bribery, a criminal offense. Of course, bribery is a criminal offense. That is irrelevant. Murder is a criminal offense too. There are all kinds of criminal offenses in our criminal law. That is totally irrelevant to what we are talking about here.

The narrow, technical question here is: Are the provisions and the safeguards that are written into this statute, in the committee report, sufficient to make sure that the employee representative does a good job and represents the public interest? Of course, that assumes you want an employee on the Board in the first place.

Frankly, I do believe that most of those who are arguing to remove the waiver are really arguing to remove the employee. It is a back-door way to get the employee off the Board. That is what is going on here. That is what the argument is really all about. It is just a back-door way to accomplish an objective instead of dealing with it frontally, instead of saying, ''We don't want an employee representative on the Board.''

I feel very strongly that if we want this restructuring Board to work, it makes sense to have an employee representative on it. There are lots of checks to make sure this employee is performing public service instead of some private interest.

The amendment before the Senate, if it passes, will make it very, very difficult for any employee to serve on the Board. I don't think that is what we want to do. It is not good for the country.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. It seems the criticism of the amendment, first of all, is that there is no conflict anyway with regard to these employees serving on this board. Of course, if that is the case, there was no reason for the exemption. So by having the exemption in there, it is an open admission there is an inherent and obvious conflict of interest.

The question is whether we want to do something about it. Do we want to single out this particular individual and say, ''With regard to you—nobody else, but with regard to you—these

conflict of interest provisions will not apply; we don't care if you have a clear and obvious conflict of interest''?

Secondly, it is said that this is very, very narrow as far as the exemption is concerned, but the bill, as reported, exempts a union representative from four key ethic laws when the representative is acting on behalf of his or her union. Those four laws are a part of chapter 11, title 18, United States Code, entitled ''Bribery, Graft, and Conflicts of Interest.''

What are those provisions that we are exempting here? Generally speaking, title 18, section 203, makes it a crime to ''demand, seek, receive, accept, or agree to receive or accept'' any compensation as an agent or attorney for a third party when a person is working as an officer or employee of the Federal Government.

That is one of the things we would be exempting this employee from.

The other section, section 205 of title 18, which is the criminal title, makes it a crime for any Federal employee to appear as an agent or attorney on behalf of anyone in a proceeding to which the United States is a party.

So that is the second thing we would be exempting this particular member from.

Thirdly, section 207, makes it a crime to make certain communications to an official of the Federal Government on behalf of any other person if the communications are made ''with the intent to influence.''

This is the third exemption that would apply.

Lastly, section 208, which is a general conflict-of-interest provision which makes it a crime for a Federal employee to participate ''personally and substantially'' in any way in a matter where he, himself, his family, a partner, or certain others have ''a financial interest.''

So, one just has to make a decision as to whether or not you feel that this particular employee on this particular board—whether or not you feel the employee ought to be on the board or not; we are not taking them off the board by this amendment; presumably, there are some things that this member could decide that would not present a conflict of interest—but you simply have to decide whether or not you want to take this particular employee and treat him or her differently than anybody else in the Government. This is the sort of thing that we have spent substantial time in Governmental Affairs on with regard to the ethics provisions and their applicability to employees.

I do not think it would be a good policy to have this exemption. As I say, if there is no particular conflict with regard to any particular matter that is before the board, all this is irrelevant anyway. There is no need for the exemption anyway. But if, in fact, they are on the board and they are seeking compensation from a third party while working for the Federal Government, or if they are appearing as an agent on behalf of anybody else who has a matter before the board, or if they are making communications with intent to influence when they are on the payroll of somebody else, this basically has to do with whether or not it is a good idea to put somebody on the board to make decisions with regard to themselves and their fellow employees, who they represent. Certainly, they would have the ability to give their input in lots of different ways.

But as far as decisions are concerned, we have seen the problems that we have had with regard to IRS employees. Do we think we should place a representative of the IRS employees on this board to make decisions as to what to do with the people with the problem? Certainly they should be heard, but should they be on the board? Number one, OK, put them on the board; number two, should we exempt them from all of the ethical rules, or these four particular ethical conflict of interest provisions? I think we should not.

I yield the floor.

Mr. KERREY. Mr. President, first of all, let me once again say that we make exceptions in order to accomplish something that we believe is important to accomplish. We accommodate the exception in order to stay within the guidelines of the Office of Government Ethics. We did that for Mr. Rossotti. He would not be the commissioner of the IRS if we took a strict interpretation of the conflict of interest law. We just would not do it. He would be disqualified, as would anybody with any real private sector interest or any real private sector experience.

It is ridiculous, it seems to me, to suggest that we never make exceptions. This is an exceptional case. We make them all the time. We measure it carefully, and we take care to make certain that the other applicable parts of the conflict of interest law are still enforced. That is what we have done here. The Senator from Tennessee is quite right when he says, gee, you are making an exception of this individual. Yes, we are. Why? He is the only employee representative. If there were 7 employee representatives on the board, we would be doing the same thing for everybody. That is what is going on. We have one representative because there are going to be traumatic changes in the IRS as a result of new authorities we are granting the commissioner in title I. Look at the new authorities we are granting.

I draw a parallel to this body. If we were granting some board authority to make reductions around here, we would want to be on that board. We would want to participate in that decision. And somebody would say we have a conflict, but we would figure out a way to deal with that, rest assured, if that were the case. That is what we have done here. We have not exempted this individual. Just look at the statute. We have not exempted this individual from all other conflicts of interest—only the conflict that deals with the fact that he works for the IRS. That is what we are trying to deal with here. If you have some specific ways you want to deal with that so you can get the job done, we can do it. To stand out here and say, gee, we are making an exception, as if that is remarkable, yes, we are and we are trying to deal with an exceptional circumstance, as we did with Mr. Rossotti in the first place.

So, again, I say to colleagues that there is a threshold decision here. Do you want an IRS representative on the board at all? If you do, you have to deal with the concerns OGE has raised. That is what we have done.

Mr. THOMPSON. Mr. President, I refer to the position of the Office of Government Ethics on this. They have considered this matter and wrote to the minority leader. One provision of the bill provides for waivers of applicable conflict of interest laws for one member of that board. I am quoting now:

> We believe that this provision is antithetical to sound Government ethics policy and thus to sound Government. Such across-the-board statutory waivers for someone other than a mere advisor is unprecedented and, we believe, inadvisable.

So the comparisons to Mr. Rossotti, who formerly had a position in the private sector, are inapplicable. As far as this body is concerned, we spent a great deal of time answering to perceived conflict of interest situations. I doubt if we would ever be in a situation of exempting ourselves from any of those considerations here.

So this is a very narrowly tailored provision. I understand the sentiment of having some input, having as broad an input as possible. Hopefully, there would be a way to have that kind of input from the employees on perhaps a less formalbasis. But there is an overriding issue here, Mr. President. I don't think we can willy-nilly say that any time we want to make an exception to the ethics rules because we want to get the thing done. We can say that in almost every situation.

So I must agree with the ethics letter that has been made part of this RECORD, which says it is unprecedented and antithetical to good Government ethics policy and therefore to good Government.

I yield the floor.

Mr. KERREY. Mr. President, I ask unanimous consent that the amendment be temporarily laid aside so we can deal with an amendment to be offered by the Senators from Wisconsin, Mr. KOHL and Mr. FEINGOLD, who have an amendment that both sides have agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. SESSIONS. I object, briefly. I wanted to clarify something.

The PRESIDING OFFICER. Objection is heard. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I ask unanimous consent that the Senator from New York be able to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. SESSIONS. I object. I would like to have 2 minutes.

The PRESIDING OFFICER. Has the Senator from Nebraska yielded the floor?

The Senator from Alabama——

Mr. D'AMATO. Mr. President, I have never objected to a person going forward for a minute or 2 minutes, but there is a way to try to accomplish this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, with regard to my raising the question of bribery as being the same in principle as what we are discussing here, I would like to make a statement. Maybe I was misunderstood. I would like to just say that, fundamentally, we are waiving the applicability of sections 203, 205, 207 of the United States Criminal Code. The bribery section is section 201 1.

As a matter of principle, I just wanted to make the point that what we are being asked to do here is to waive the criminal law of the United States with regard to this particular individual, and the Ethics Committee has said it is unprecedented. That means this body has never done this in its entire history. This is a legal mistake. I am not here concerning myself with the individuals who make up the board. I am here because it was called to my attention that this problem existed. I am a former Federal prosecutor and a member of the Ethics Committee of this body, and I believe this is a legal mistake—a legal mistake we should not make. That is why I am making my comments now. I am very sorry to interrupt the Senator from New York, but it was important to clarify the record, I thought.

Mr. BAUCUS. How long will the Senator from New York speak?

Mr. D'AMATO. No longer than 5 minutes.

(By unanimous consent, the remarks of Mr. D'AMATO are printed in today's RECORD under ''Morning Business.'')

Mr. SARBANES. Mr. President, while I support H.R. 2676, the Internal Revenue Service restructuring bill that is now before the Senate, I would like to express my opposition to any amendment that would seek to remove an IRS employee representative from the citizens oversight board established in that legislation.

Mr. President, the idea of having an employee representative on the oversight board is hardly a novel one. In fact, that idea has been incorporated into virtually every IRS reform proposal that has been made in the last couple of years, including:

The recommendation of the bipartisan Commission to Restructure the Internal Revenue Service;

H.R. 2676, the House IRS reform bill that passed that body by a vote of 426–4.

The Senate Finance Committee's version of the IRS bill, which we are now considering; and

The recommendation of the Administration.

That an employee representative has been deemed an essential part of the proposed oversight board in particular—and IRS reform in general—should not be surprising.

The IRS is an enormous agency of over 100,000 employees. The IRS reform bill we are now considering gives the proposed oversight board significant authority to review and approve plans for this agency's operation—its strategic plans, its reorganization plans, its budget requests, and other fundamental operational matters.

Without the cooperation and input of the IRS' employees in this process, how can we possibly expect the Board's responsibilities to be discharged in a manner that will make the oversight board an effective instrument of reform?

Let us not forget that IRS employees have been instrumental in bringing to light much of the information that has caused Congress to undertake the reform efforts before us now.

Let us also recall that IRS employees have expertise in the operation of the agency that is unique and irreplaceable. This expertise is absolutely integral to effecting the kinds of changes that we in Congress—and more important, the American people—want and expect.

Mr. President, the idea of having employee input in the basic management decisions of major enterprises is not a novel one. In fact, the placement of an employee representative on the IRS oversight board mirrors similar steps taken in several private sector businesses. For example:

Northwest Airlines has a union representative on its Board of Directors;

Similarly, the steelworkers union holds a position on the Boards of Directors of several of our nation's biggest steel companies.

Thus, both the private sector and—in this legislation—the public sector have recognized the value of having employee input and participation in the management of major enterprises.

Those who seek to eliminate employee participation on the oversight board charge that a union representative on the board will have conflicting interests that will hinder the board's effectiveness. Mr. President, My colleagues should note that this union representative:

Is subject to nomination by the President and confirmation by the Senate;

Must make full financial disclosure in accordance with current laws, like all other Board members;

Is, unlike other Board members, subject to additional disclosure requirements, including requirements to file financial disclosure information with the Senate Finance and House Ways and Means Committees.

Will receive a waiver of conflict of interest laws along the lines of those granted in over 1000 cases a year, where the public benefit of the individual's participation in government decision-making outweighs the potential benefit arising out of that participation.

In short, Mr. President, the union representative will face greater scrutiny than any other member of the Board; such scrutiny will ensure that this representative will discharge his or her duties diligently and responsibly. Moreover, the House and the Senate Finance Committee have determined that the public benefit of having an employee representative on the Board outweighs the potential conflict by having him or her on the Board. I think this determination is indisputably correct, and should not be disturbed by the full Senate.

In closing, let me make a few remarks about federal employees in general.

It has become all to fashionable in recent years for Congress to berate federal employees and to denigrate the many contributions they make to our nation.

Federal employees render invaluable service to this nation. They work hard and are proud of that work. Many of them are highly educated and skilled. In short, they bring a great deal of expertise and dedication to their roles as civil servants.

Such dedication ought to be recognized, applauded, and, most important in this context, utilized to help the government's efforts become more responsive to our constituents. We are now engaged in such an effort. To remove federal employees from the oversight board would be shortsighted and a disservice to the nation. I therefore urge my colleagues to preserve the current composition of the oversight board and to defeat any amendment that would change that composition by removing the employee representative.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I ask unanimous consent the pending amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2357

(Purpose: To provide for an independent review of the investigation of the equal employment opportunity process of the Internal Revenue Service offices located in the area of Milwaukee and Waukesha, Wisconsin, and for other purposes)

Mr. KERREY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. KERREY), for Mr. KOHL, and Mr. FEINGOLD, proposes an amendment numbered 2357.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 229, insert between lines 15 and 16 the following new section:

SEC. 1106. REVIEW OF MILWAUKEE AND WAUKESHA INTERNAL REVENUE SERVICE OFFICES.

(a) IN GENERAL.—

(1) REVIEW.—The Commissioner of Internal Revenue shall appoint an independent expert in employment and personnel matters to conduct a review of the investigation conducted by the task force, established by the Internal Revenue Service and initiated in January 1998, of the equal employment opportunity process of the Internal Revenue Service offices located in the area of Milwaukee and Waukesha, Wisconsin.

(2) CONTENT.—The review conducted under paragraph (1) shall include—

(A) a determination of the accuracy and validity of such investigation; and

(B) if determined necessary by the expert, a further investigation of such offices relating to—

(i) the equal employment opportunity process; and

(ii) any alleged discriminatory employment-related actions, including any alleged violations of Federal law.

(b) REPORT.—Not later than July 1, 1999, the independent expert shall report on the review conducted under subsection (a) (and any recommendations for action) to Congress and the Commissioner of Internal Revenue.

Mr. KERREY. Mr. President, this amendment has been cleared on both sides. We believe it is a good amendment.

I urge its adoption.

The PRESIDING OFFICER. Is there further debate? If there is no objection, the amendment is agreed to.

The amendment (No. 2357) was agreed to.

Mr. KERREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN THIS TIME OF HOT AIR TOBACCO FARMERS SHOULD KEEP COOL

Mr. HELMS. Mr. President, it's fair to say that the so-called tobacco ''debate''—and I characterize most of the rhetorical chatter as ''so-called'' because it (1) has amounted to little more than posturing, and (2) has created enormous uncertainty and unease for the thousands of fine Americans who earn their living in the tobacco industry.

The public health community (and its ''Amen corner'' in Congress) would delight in putting the tobacco companies out of business rather than seriously and honestly addressing the issues facing the hundreds of communities in North Carolina and other states that are economically dependant on the tobacco industry. Mr. President, it's unfortunate that this issue has become so politicized that usually rational members of Congress have been totally irrational in their exaggeration of the entire situation.

Moreover, Mr. President, it is not anywhere in recorded history that anyone ever began smoking because a gun had been leveled at his or her head with orders to smoke, or else. There is no Senator who doesn't support efforts to curtail youth smoking, and not one parent has come forward asserting that Joe Camel and the Marlboro Man have more control over their children than they do.

But all the pious, exaggerated political nonsense aside, farmers must continue to grow their legal crop in order to provide for the livelihood of their families.

Sometime back, I promised the farm leaders of North Carolina that I would meet with the chief executives of all tobacco companies to encourage them to buy the maximum amount of U.S. tobacco possible in 1998. I have kept that commitment. I have indeed met with the leaders of all companies, one by one. Their concern for tobacco farmers, and for all other citizens who earn their livings ''in tobacco'', was immediate, impressive and sincere.

There is no doubt in my mind, as a result of these meetings, that leaders of the tobacco companies do indeed intend to purchase as much U.S. tobacco as possible this marketing season.

In fact, some CEOs assured me that they plan to purchase more U.S. tobacco this marketing season than they purchased in 1997. One company leader emphasized his company's plans to increase its purchases of U.S. leaf every year through 2002.

The tobacco companies understand the need to purchase at least this year's effective quota in order to prevent another substantial decrease in quota next year. There will be a lot of personal bankruptcies in North Carolina if our farmers are faced with another 10 to 17 percent reduction in quota. But I am confident—and I do expect—that the tobacco companies will honor their commitment to me and the tobacco farmers of this country to purchase U.S. tobacco this marketing season.

Mr. President, everyone in the tobacco community—particularly the tobacco companies—realizes that the tobacco farmers should have been included in the so-called ''National Tobacco Settlement'' in the first place.

Tobacco farmers and manufacturers are at a crossroads that may very well define their destiny. They can either choose to work in good faith, or they can choose not to. If they choose to harbor ill-will and mistrust, the destruction rampant in this industry will be far greater than anything Congress could ever levy by politics or legislation.

Mr. President, during these obviously difficult times in tobacco country, squadrons of politicians in Washington and elsewhere are eager for headlines back home at the expense of the farmers. No one knows what will happen with the McCain bill, nor with any other tobacco legislation that may come forward. But I can promise you this: there will continue to be a number of special interest groups that will try to exploit the fears of the tobacco farmer for their own gain.

I can counsel our folks back home to avoid being disillusioned. If we work together and in good faith, the tobacco farmers of America will continue to have a future, no matter the threats and pleadings from the political chorus—which is becoming a little more discordant with every passing day.

Mr. President, I thank the Chair.

Mr. KERREY. Mr. President, I want to say to the Senator from North Carolina, independent of the subject matter to which he just spoke, that I see him and the way he lives, and he is one tough bird. I admire his courage and I admire the way he keeps after it.

I just wish him the best of health.

Mr. HELMS. I thank the Senator.

Mr. KERREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2343

Mr. ASHCROFT. Mr. President, I thank Senator ROTH and Senator MOYNIHAN for having accepted the Leahy-Ashcroft amendment which will provide electronic access to the IRS information on the Internet. This amendment will require the IRS to maintain its web site with current forms, instructions and publications so people anywhere with access to the Internet can have access to those forms.

To allow the public to have easy, efficient electronic access to all the IRS information that may be needed to adequately prepare a tax filing is a real benefit to the people, and I thank Senator ROTH and Senator MOYNIHAN for accepting the Leahy-Ashcroft amendment which will provide electronic access to the IRS information on the Internet. And I thank Senator LEAHY for his involvement in that measure.

Mr. President, I am pleased that the bipartisan amendment introduced by Senator LEAHY and me has been adopted into the current legislation. This amendment will give individuals the ability to access a great deal of material from the IRS. Revenue rulings,