Mr. CHAFEE. Well, it is a complicated way of proceeding, but it is my understanding that this would actually kill the IRS reform.

Mr. ROCKEFELLER. This Senator believes that is incorrect. It would simply be the reestablishment of the conference committee, which could then clear up this matter which the Senator from Washington is trying to clear up.

Mr. DOMENICI. Mr. President, would the Senator yield for 1 minute?

Mr. CHAFEE. Sure.

Mr. DOMENICI. Let me make a point to the Senate. If you do not table this, and you accept the proposal of the distinguished Senator from Washington, you have done two things—both of which are probably very, very bad for our country: One, you will kill this bill; secondly, you will dramatically cut veterans' benefits beyond anything anybody intended. Because to eliminate these technical corrections, you leave in place a law that is signed. The highway bill is signed into law, and it has a mistake in it. And the mistake dramatically cuts veterans' benefits beyond what was intended.

So it may not be the intention of the sponsors, but you will accomplish two things, and I just stated them. And I believe that is the case.

I yield the floor.

Mr. ROCKEFELLER. Would the Senator yield——

Mr. CHAFEE. No. I would like to press forward with the——

Mr. ROCKEFELLER. Simply because it is this Senator's judgment that what the Senator from New Mexico has said is in two respects incorrect. This Senator would like to simply give his opinion, and that would be that, No. 1, the ISTEA bill would in no way be affected. That is signed. It would in no way be affected. Second, the IRS bill would in no way be affected at all. It is simply a matter that the conferees—again, new conferees—would come back, not debating the IRS bill, but simply clearing up this matter which is of extreme importance to this country's moral obligations to veterans.

Mr. CHAFEE. Mr. President, at this time I move to table Senator MURRAY's appeal of the ruling of the Chair. And I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

They yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the appeal of the ruling of the Chair. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arizona (Mr. KYL) are necessarily absent.

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—50

Abraham	Frist	Moynihan
Allard	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Baucus	Grams	Roberts
Bennett	Grassley	Roth
Brownback	Gregg	Santorum
Burns	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Coats	Hutchinson	Smith (OR)
Cochran	Inhofe	Snowe
Coverdell	Jeffords	Stevens
Craig	Kempthorne	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Enzi	Mack	Warner
Faircloth	McConnell	

NAYS—48

Akaka	Durbin	Leahy
Biden	Feingold	Levin
Bingaman	Feinstein	Lieberman
Bond	Ford	McCain
Boxer	Glenn	Mikulski
Breaux	Graham	Moseley-Braun
Bryan	Harkin	Murray
Bumpers	Hollings	Reed
Byrd	Inouye	Reid
Cleland	Johnson	Robb
Collins	Kennedy	Rockefeller
Conrad	Kerrey	Sarbanes
D'Amato	Kerry	Specter
Daschle	Kohl	Torricelli
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden

NOT VOTING—2

Hutchison	Kyl

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Iowa.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 15 minutes each.

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

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

A HISTORICAL TREATISE ON THE FALSE CLAIMS ACT

Mr. GRASSLEY. Mr. President, I rise today to speak about an important issue for the taxpayers of this country. My purpose today is to:

First, inform my colleagues;

Second, alert future Members of this body; and

Third, create a historical public record so that future Congresses will not repeat the mistakes of the past. The issue is the integrity of the government's present and future efforts to stop widespread fraud, waste and abuse against taxpayer funded programs.

The government's strongest and most effective tool against fraud is the False Claim Act. In recent years, the False Claims Act has been under attack from industries targeted by the government's anti-fraud efforts. Since 1986, when Congress passed amendments that I sponsored to toughen the law, more than $4 billion has been recovered through the False Claims Act. Hundreds of billions more in fraud have been saved through the deterrent effect that this law has upon those who would betray the public's interest.

In addition to the recovery of money and the deterrent effect of this law, the False Claims Act is important for another, perhaps, more important reason. The fact is that the False Claims Act is being used, day after day, by prosecutors to maintain the integrity of countless federal programs funded by American taxpayers. For example, the False Claims Act is being used in the health care industry to ensure that nursing home residents receive quality care—like enough food.

Nonetheless, this Congress just witnessed an unconscionable assault on the False Claims Act. The law has thus far escaped unharmed. But, there is a ''clear and present danger'' lurking in the shadows. It is for this reason that I speak today, Mr. President—to chronicle the events that occurred over the past seven or so months.

The perpetrator of this assault on the False Claims Act was the American Hospital Association (AHA). The AHA used its notable clout to systematically and cleverly orchestrate a major grassroots campaign to ''gut'' the False Claims Act. In the final analysis, its effort fell apart because the approach taken by the AHA lacked an essential ingredient—''credibility.'' You see, the AHA appealed to a great many legislators by using horror stories from hospitals in their respective states and districts. But the horror stories, in the end, had no bearing on what the AHA peddled as the solution—gutting the False Claims Act.

The correct solution was not to change the law—indeed there was, and is, no problem with the language of the False Claims Act. Rather, the solution was to correct a number of missteps made by the Department of Justice in implementing the law through its national initiatives. The AHA was abundantly aware of this fact. But AHA chose instead to pursue a strategy of bait and switch. The AHA allegedly backed a bill to gut the law simply to strong arm the Justice Department into changing how the False Claims Act was implemented. The strategy succeeded. Unfortunately, it comes at the expense of a serious loss of credibility, in my eyes, for the AHA.

Before describing the events of the past months, some historical context is in order. The False Claims Act was fathered by President Abraham Lincoln. Lincoln had become frustrated by the widespread fraud against the Union Army by defense contracts during the Civil War. Contractors would sell the same horses twice to the Army; they

would sell sand instead of gun powder; and sawdust instead of muskets.

Included in the anti-fraud arsenal of the False Claims Act was a provision called qui tam. Qui tam is a concept that dates back to feudal times. It allows private citizens who know of fraud against the taxpayers to bring a lawsuit against the perpetrators. In other words, the citizen acts as a partner with the government. As an incentive, the citizen shares in any monetary recovery to the U.S. Treasury.

Over the decades, the False Claims Act, and especially the qui tam provisions, proved to be effective, both in catching and deterring fraud. Think about it, Mr. President: The most effective way to catch fraud or other wrongdoing is to have ''insider'' information. Insiders help make investigations more targeted, more effective and more efficient. Congress has long recognized the value of insiders. That is why Congress established laws to encourage and protect whistle blowers. We know the value of inside information, and the role it plays in our constitutional system of checks and balances.

Then, in 1943, things changed. That is when private industry played a role in amending the False Claims Act. The amendments neutralized the law's effectiveness—instead of having a powerful tool against fraud perpetrated against the government we had a toothless piece of legislation. Would-be perpetrators of fraud now had every reason to be celebrating in the streets; and taxpayers had suffered a major blow.

During the early 1980s, our defense budget was rising rapidly to counter the Soviet threat. It rose so rapidly, in fact, that it was beyond our ability to manage the money properly. As one defense official said, it was as if we opened up the money bags at both ends, laid them on the doorstep of the Pentagon, and told the contractors to ''come and get it.''

Fraud against the government was suddenly out of control. I recall at one point that eight out of the top ten defense contractors were under federal investigation for fraud. Amazing!!!

Not coincidentally, that is the year Congress restored the teeth to the False Claims Act that were removed some 40 years earlier. It was in 1986 that I sponsored, along with HOWARD BERMAN of the House of Representatives, amendments to the False Claims Act intended to put the ''bite'' back in the statute. Since that time, the law has been a tremendous success. It has recovered more than $4 billion for the taxpayers, and continues to deter fraud in amounts estimated in the hundreds of billions.

Since passage of the 1986 amendments to the False Claims Act, private industry has been plotting to once again gut the law. Even before the amendments were passed, a major effort was underway by the defense and other industries to undermine passage. Even supporters of my amendments suddenly turned against my bill. There were curious instances, as I read in news accounts, of campaign money being given in close proximity to actions taken by Members to stop my bill. In the final analysis, the public's concern about fraud prevailed. My amendments passed and the False Claims Act has demonstrated itself to be one of the most powerful tools in the war against fraud.

I knew at the time, Mr. President, that it would only be a matter of time before some industry would mount yet another assault on the False Claims Act. It is for that reason I have come to be ever vigilant. There are many citizen groups around the country that have joined me in this vigil. They have the taxpayers' best interests in mind.

One such assault occurred in 1990, led by the defense contracting community. It was unsuccessful. One main reason for the failure of the defense contracting community was because that industry lacked credibility. The public grew skeptical of that industry's attempts to exempt itself—under the guise of competitiveness—from anti-fraud statutes.

This year, the defense industry succeeded in persuading the Department of Defense to propose an exemption for that industry from the False Claims Act. Fortunately, the Department of Justice, with the assistance of the Inspector General's Office at the Department of Defense preempted the plans of the defense industry.

A major and well orchestrated assault on the False Claims Act came in 1998 from the health care industry, and more particularly, from the hospitals. The hospital industry has a great deal of credibility with members of Congress. We all have hospitals in our states and districts, and we work closely with them in addressing their concerns.

So, while the defense industry sat back after their attempt failed, the hospital industry took the lead in seeking to carve out an exemption from the False Claims Act for the entire health care industry. The health care industry played heavily on its credibility with the public in pursuing its agenda to exempt itself from the False Claims Act. It was reported to me that all the while, the defense industry watched in awe as progress was made. We all knew that if the hospitals succeeded in carving out an exemption from the False Claims Act, the defense industry would be next in line. And soon other industries would be lining up, too.

The AHA's official and public assault on the False Claims Act began early this year. On January 30, 1998, the AHA met with staff members of the Committee on Aging, which I chair. It was determined at that meeting that the AHA's concerns were not with the language of the False Claims Act, but with the Justice Department's implementation of that law. The AHA alleged that the Justice Department was heavy-handed in its implementation of the law and was not separating innocent billing errors from actual fraud. All this from an industry where a recent survey found that the majority of hospitals pooled did not even have a compliance officer who is responsible (1) for developing and maintaining compliance programs, (2) investigating compliance issues, (3) overseeing Medicare and Medicaid reimbursement, (4) overseeing billing and coding, as well as (5) overseeing tax-related issues.

A few days later, my staff met with the Iowa Hospital Association, which expressed the same concerns as the national association. As a result of these meetings, I took a personal interest in the allegations of the AHA. Consequently, I met with Attorney General Reno on March 3, 1998, to discuss the AHA's concerns. Furthermore, I urged the Attorney General to take whatever action was necessary to insure that the implementation of the False Claims Act was being done properly, and if not, to take expeditious action to correct the situation. She agreed.

I also met with Congressman MCCOLLUM of Florida who had expressed an interest in introducing a bill to amend the False Claims Act. During that meeting, he agreed to a one month reprieve before introducing the bill so that I could, among other things, facilitate a dialogue between the Justice Department and the AHA in the hope of reaching a resolution. Unfortunately, I was dismayed when Mr. MCCOLLUM introduced H.R. 3523 on March 19, 1998—a little over a week after our meeting. This changed the debate dramatically. As opposed to concentrating on resolving the concerns of the AHA through dialogue and communication, I was forced to expend my energies protecting the False Claims Act and the Medicare Trust Funds. Sometime later, on April 29, 1998, two of my Senate colleagues, Senators COCHRAN and HOLLINGS introduced S. 2007, a parallel bill to H.R. 3523.

The bills introduced in the House and Senate were characterized as innocuous by, among others, Representative MCCOLLUM and the AHA. But, the changes were not simple, the changes were not minor and the changes were not clarifying. Quite the contrary, the changes were devastating to the future use of the False Claims Act against the health care industry. So stated the Justice Department, the American Association of Retired Persons and others. Even the Clinton Administration voiced its concern with the bills and was prepared to issue a veto order if it became necessary.

The House bill demonstrated itself to be popular among House members, Indeed, H.R. 3523 enjoys bipartisan support, boasting 201 co-sponsors. However, the McCollum bill stumbled.

On June 3, 1998 the Department of Justice issued written guidance on the appropriate use of the False Claims Act in health care matters. This guidance

was issued in response to concerns relating to the Justice Department's enforcement strategies in national health care projects. In response, Congressman DELAHUNT, co-sponsor of H.R. 3523, determined that the written guidance made this new legislation inadvisable. Mr. DELAHUNT then courageously decided to pull back his support for H.R. 3523. Shortly thereafter Congressmen BLILEY, BARTON, DINGELL, STARK, and BERMAN stated in a Dear Colleague that: ''The Department's guidelines are quite extensive and sufficient time must be given to allow for their appropriate implementation. A non-legislative solution is the appropriate manner to address their issues.''

At this juncture it must be said that the Department of Justice, despite the attacks, despite the rhetoric and despite the misinformation, raised itself up from its bootstraps and, in good faith, issued guidance documenting its implementation of the False Claims Act. And even more amazing, Congressman MCCOLLUM, it is reported, still plans to move forward with the bill that would gut the False Claims Act.

I suppose there are certain people associated with this effort who just don't get it. Who don't mind moving forward despite major questions of credibility. There are many more important issues that I and my staff could have been working on for the last seven months on behalf of the taxpayers. Instead we spent seven months of negative energy trying to put out brush fires as the False Claims Act came under assault.

How anyone could ever suggest someone would enjoy that kind of politics is beyond me. To say the bill is ''innocuous'' is beyond me. And that's what I mean, Mr. President, when I talk about major questions of credibility.

In the Senate, my colleagues, Senators COCHRAN and HOLLINGS, played a critical role in having the Department of Justice issue responsible guidance to the health care industry without gutting the False Claims Act. In addition, my Senate colleagues worked hand-in-hand with me to develop legislative and report language that assures the future integrity of the False Claims Act and the good faith implementation of the guidance by the Department of Justice. I thank you, Senator COCHRAN and Senator HOLLINGS.

All in all, the history of the assault of the False Claims Act sends us on a long and winding road. But it is important to recognize that future attacks on the False Claims Act are undoubtedly around the corner—this despite the fact that the law's success is in many ways unparalleled in the enforcement community.

Consequently, the False Claims Act is, and will remain, a target of those industries that accept billions and billions of taxpayer dollars annually and balk at strict accountability. I ask only that we, as legislators, remember the history of the assault made upon the False Claims Act by the AHA in the present. I ask further that we agree to be strong despite the strength of an industry, simply because it is the ''right'' thing to do. Taxpayers deserve no less—and as legislators, we should deliver no less.

DEATH OF ELLISON ''BUBBY'' MCKISSICK, JR.

Mr. THURMOND. Mr. President, while the Senate was recessed last week, South Carolina lost one of its most prominent citizens, Ellison ''Bubby'' McKissick, Jr., who was best known as a leader in the textile industry both in the Palmetto State and throughout the United States.

Bubby McKissick passed away, after a long illness, at the rather young age of 69. Though his passing came too soon, he distinguished himself in many ways throughout his life. Not the least of these achievements was serving as the Chairman of Alice Manufacturing, the McKissick family mill and one of the largest textile companies in the Southeast. Additionally, he was a past president of the American Textile Manufacturers Institute, and a forceful advocate for measures that would make the textile industry more competitive, including promoting education.

While his career ultimately took him to the boardroom, Bubby McKissick learned the textile business from the ground floor of one of his family's facilities, working in some of the most demanding jobs in any mill operation. Additionally, Bubby McKissick served in the United States Marine Corps during the Korean War, earning the rank of Sergeant, and having the unenviable distinction of being wounded in combat. This was a man who truly did not have anything handed to him on a silver platter, and who knew well the valuable lessons that one can only learn from experience and hard work.

Bubby McKissick's passing is all the more saddening because he was a loyal supporter, and more importantly, a valued friend. I had known Bubby almost literally from the day he was born as his family was well known to me. I was pleased to watch the successes and achievements of this man, both professional and personal, and I take consolation in the fact that he lived a full and rewarding life.

Mr. President, Bubby McKissick's passing leaves a tremendous void not only in our state's corporate community, but in the lives of the many men and women who called him friend. Bubby McKissick will not soon be forgotten, and I am certain that all those who knew him would join me in sending condolences to his family.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, July 7, 1998, the federal debt stood at $5,530,116,137,980.45 (Five trillion, five hundred thirty billion, one hundred sixteen million, one hundred thirty-seven thousand, nine hundred eighty dollars and forty-five cents).

One year ago, July 7, 1997, the federal debt stood at $5,355,915,000,000 (Five trillion, three hundred fifty-five billion, nine hundred fifteen million).

Five years ago, July 7, 1993, the federal debt stood at $4,337,775,000,000 (Four trillion, three hundred thirty-seven billion, seven hundred seventy-five million).

Ten years ago, July 7, 1988, the federal debt stood at $2,555,671,000,000 (Two trillion, five hundred fifty-five billion, six hundred seventy-one million).

Fifteen years ago, July 7, 1983, the federal debt stood at $1,328,914,000,000 (One trillion, three hundred twenty-eight billion, nine hundred fourteen million) which reflects a debt increase of more than $4 trillion—$4,201,202,137,980.45 (Four trillion, two hundred one billion, two hundred two million, one hundred thirty-seven thousand, nine hundred eighty dollars and forty-five cents) during the past 15 years.

NEED FOR ACTION ON KOSOVO

Mr. LEVIN. Mr. President, the use of indiscriminate force by units of the Serbian special police and the Yugoslav armed forces in Kosovo must stop. If unchecked, the violence there could well spillover into Albania and Macedonia and could at some point involve other nations in the region, including our NATO allies.

Acting at the direction of Yugoslav President Slobodan Milosevic, the Serbian police and military units have brutally targeted civilians and used scorched earth tactics with a plan to drive ethnic Albanians out of their towns and villages. According to the United Nations High Commissioner for Refugees Sadako Ogata, around 65,000 people have been forced to flee their homes in Kosovo since March and prior to the latest Serbian special police and troop attack on the town of Belacevac.

Of that number, around 12,000 have fled to neighboring Albania across treacherous mountains—some children had to walk barefoot for days. About 8,000 have fled to Montenegro and small numbers have sought refuge in Macedonia, where the United States maintains about 350 Army personnel as part of the United Nations Preventive Deployment Force.

Before I comment further on what I believe should be done to address the crisis in Kosovo, I would like to briefly describe how this crisis came about.

Kosovo, with a population of 2 million of which more than 90 percent are ethnic Albanians, enjoyed autonomous province status under the 1974 Yugoslav Constitution. However, changes to the Serbian constitution in 1989 through 1991 revoked that autonomous province status and abolished the Parliament and Government of Kosovo. Since that time, Serbian authorities have carried out a policy of repression: firing ethnic Albanians from all public jobs and using arrests, brutal and often fatal beatings and other forms of intimidation in violation of commonly