

Medicare has paid health maintenance organizations [HMO's] from 6 to 28 percent more than it would have spent had those same beneficiaries remained in the fee-for-service sector.

A national psychiatric hospital chain, charged with fraudulently increasing its reimbursements, in 1994 paid over \$300 million in the largest settlement to the Federal Government for health care fraud.

Fifth, loan program losses are too high.

The Federal Government has become the Nation's largest source of credit. It obligated almost \$23 billion in new direct loans and guaranteed \$204 billion in new non-Federal lending last year. Now, whether you agree with the Government's role as a banker or not, you have to agree that the Government is not doing a good job of minimizing its losses on its loan and guarantees.

The Office of Management and Budget [OMB] has estimated that of the \$241 billion owed the Government for direct loans and claims paid on defaulted guaranteed loans, \$50 billion is delinquent and at risk of loss. GAO's high risk program concentrates on three lending programs:

Farm loan programs have become a continuous source of credit for many borrowers and have had a high rate of loan defaults, resulting in the loss of over \$6 billion of taxpayers' money from 1991 through 1994. In addition, its outstanding loan portfolio still contains nearly \$5 billion in delinquent debt.

Student financial aid programs have been successful in providing money for postsecondary education but have been costly, nearly \$25 billion in losses in the guaranteed student loan program alone with \$2.4 billion in losses just last year.

The Department of Housing and Urban Development [HUD], which ensures some \$400 billion in housing loans, guarantees more than \$400 billion in outstanding securities, and spends \$25 billion a year on housing programs, is at risk because of fundamental management weaknesses.

Sixth, The management of Federal contracts at civilian agencies needs improvement.

Civilian agencies spend tens of billions of dollars per year on contracts, yet they often don't get what they pay for or they reimburse contractors for unallowable or unreasonable costs. According to GAO, at the heart of contracting problems, there is a lack of senior-level management attention. GAO has focused on three contracting areas:

The Department of Energy [DOE] spends about \$15 billion annually through management and operating contracts but has failed to protect the Government's interests. DOE did not require its contractors to prepare auditable financial statements nor did it audit, every 5 years as is required, the net expenditures reports contractors did prepare.

The National Aeronautics and Space Administration [NASA] spends about \$12 billion to \$13 billion each year—90 percent of its funding—on contracts, but with poor oversight. In addition, NASA has traditionally assumed virtually all risks related to contract costs and results. This has led to frequent funding increases, schedule delays, and performance problems on many of NASA's large space projects.

Contract management problems in the multibillion-dollar Environmental Protection Agency [EPA] Superfund hazardous waste cleanup program have provided contractors too little incentive to control costs. A recent review of three contractors showed that all three billed the Government for entertainment, tickets for sporting events, or alcoholic beverage costs that were not allowable. But contractors are probably not too worried about what they bill. As of August 1994, there were 528 unfilled requests for audits of Superfund contractor costs.

These are just the highlights of GAO's new high-risk list. They show what we're up against if we are to achieve real and measurable progress in the battle against Government waste and mismanagement. While this series indicates that with a concerted and committed effort it is possible to correct and rectify program weaknesses—putting less taxpayer dollars at risk—it also reveals what happens when systems are deficient or administrators are less than vigilant, or both.

Only with a continuing and persistent effort can we in Congress, working with the administration and GAO, attack these problems, one by one, case by case. If we are ever to restore people's faith in Government—and its overall credibility—it has to be done, and done quickly. As I have in the past, I will pledge my best efforts with the eventual hope that, one day, there will be no high-risk list at all. I urge my colleagues to work together to accomplish this goal.●

THE CONGRESSIONAL PENSION EQUITY ACT

● Mr. MCCONNELL. Mr. President, I am pleased to become a cosponsor of S. 228, the Congressional Pension Equity Act. I commend Senator BRYAN for his leadership on this issue and I look forward to working with him to reform our pension system and bring it in line with all other Federal civilian pensions.

Like pensions in the private sector, the pension a member of Congress receives is based upon length of service and rate of pay. So, naturally a senior member, or staffer, earns a bigger pension than an individual with just a few years of service. But, under the current system members and staff receive substantially more generous pensions than other Federal employees. This bill will rectify that situation and bring parity between the legislative branch and the executive branch. Those who serve in

Congress should be treated the same as other Federal employees.

For those who claim that people come to Congress and serve too long, this fix should end the careerism charge. Overly generous pensions will no longer entice people to stay in their congressional jobs. Congressional service will be no more desirable than other Federal service, and members and staff will not be deterred from rotating out of Congress.

This bill makes three important changes to congressional pensions. First, it places a cap on retirement benefits. Now, retired members can wind up receiving pensions that are bigger than the salaries they made while in Congress. The bill will ensure that pension benefits do not exceed the highest salary earned while in Congress. Second, it establishes a uniform rate of accrual for all Federal employees, so that congressional employees earn their pension benefits at the same rate as all other Federal employees. And, finally it adjusts the contribution rate for congressional employees to conform to the rate paid by all other employees. Currently, members and staff pay a slightly higher contribution for a much more generous benefit. This bill will require congressional and executive branch employees, including Members of Congress, to pay the same for the same benefit.

Congressional retirement benefits are not an entitlement. We are in the midst of streamlining and cutting back the scope of the Federal Government. We are trying to make the Federal Government more efficient and effective. That's what the American people want and what they deserve. Well, one place to begin is with congressional pensions. This bill represents that effort. I look forward to early consideration of this bill by the Government Affairs Committee and its swift passage by the Senate.●

TRIBUTE TO THE CONCERNED CITIZENS OF BAYONNE

● Mr. LAUTENBERG. Mr. President, I rise today to recognize and pay tribute to the Concerned Citizens of Bayonne [CCB] on the organization's 25th anniversary. I also want to call special attention to the contributions that Mr. Frank Perrucci has made to the organization and the community.

In 1970, Frank and Jean Perrucci, Vinnie Perrucci, Joseph Brache, Sal Covella, Penny Covella, Pete Capitano, John Baccarella, Jean McMahan, and Nicholas Mangelli met at Frank and Jean's home in Bayonne. It was here that they agreed unanimously to form the Concerned Citizens of Bayonne, so that citizens could participate in decisions which affect Bayonne, Hudson County, and New Jersey.

No time was wasted. They immediately became involved in the upgrading of the jury system, led the opposition to the taxation of Social Security