

for unauthorized treatment or to withhold sufficient disclosures regarding the risks of adverse side effects."

What does this mean? It means that if you are one of the millions of Americans covered by these PBM's, your doctor may no longer be receiving impartial advice about which drugs to prescribe to you.

Let me raise another example of how improper marketing can degenerate into inappropriate care.

Two months ago, Eli Lilly & Co. participated in a depression awareness program at a local high school. This story was published in February by the Washington Post. While sponsoring educational programs might be a laudable endeavor, the students in this particular school and the teachers were furious with the company for "turning an educational program into an extended commercial."

What was the particular drug that the drug company was pushing on the students? Mr. President, 1,300 students listened to company representatives pitch their drug, and then they received pens, pads, and brochures embossed with the product name. The product that we speak of is, of course, Prozac.

Afterward, the principal felt that Eli Lilly "shouldn't be pushing their drug program, especially not to children."

One of the students explained, "I was upset that I had to sit in an assembly for 45 minutes and listen to a plug for Prozac."

Her mother added, "The message my daughter came away with was pop a pill and everything is going to be all right."

Let me say that Eli Lilly & Co. did apologize. They admitted their conduct was inappropriate. But imagine, if you can, the potential for such abuses when a manufacturer not only makes a drug, but they also market that drug, they advertise that drug, they influence HMO's to buy that drug, they collude with their PBM subsidiary to win contracts, and—if they have not gotten your business yet—they encourage the doctors with incomplete information to switch you, the patient, to their product.

To add insult to injury, the consumer may also have to pay more for their prescription drugs. In our market economy, we all know that if there is no competition, we pay higher prices. Competition brings down prices. Competition is good for the consumer. Today, the major drug companies of America are buying up their competition and the consumer is going to foot the bill.

If the PBM's have a vested interest in their owner's products, they will not necessarily be negotiating the best deal for their patients—and this is taking place in the midst of the industry's best pricing environment in years. Look at what Wall Street is thinking. Analysts expect drug price increases to be "faster in 1995 than in the preceding 4 years."

I am deeply concerned about the impact of these acquisitions. There is growing evidence that the PBM companies no longer act as independent or honest brokers for their clients. They are going to be acting as brokers for their parent companies who pay the bills. This can only lead to inappropriate health care and to higher prices for consumers, who are already paying some of the highest prescription drug prices in the world.

The FTC has now demonstrated due diligence in investigating the Lilly-PCS deal. The FDA has also signaled its concern over these marketing abuses. Consumers will undoubtedly benefit from this vigilance.

In a textbook-perfect market, competition prevails and the consumer benefits without such scrutiny. But in the real world's imperfect markets, we must sometimes intervene. That intervention is necessary now to guarantee that true competition takes place. It is my hope that we can prevent the anti-competitive practices which I have just described this afternoon.

Mr. President, I hope that we realize what is happening in the drug marketplace in the spring of 1995, and I only hope that we are not going to act too late.

Mr. President, I see another colleague seeking the floor. I thank the Chair for recognizing me. I thank the Senator from Pennsylvania for his patience. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I ask unanimous consent to speak as in morning business.

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

#### FUGITIVE WELFARE REFORM

Mr. SANTORUM. Thank you, Mr. President. I rise to discuss the issue of a bill I introduced recently that I understand is going to be highlighted tonight on a Dateline/NBC telecast having to deal with the issue of fugitives—felons—who are not only running from the law, but under the law receiving welfare benefits, and under the law the police are not able to assert information from the welfare office to be able to help track this person down.

Believe it or not, that is exactly the issue that we are going to discuss and hopefully be able to remedy. I got into this in the House. I was Chairman of the Task Force on Welfare in the House of Representatives and was presented with a whole lot of information about some of the problems in the welfare system, and worked extensively putting together the House welfare reform package in 1993 and 1994.

This issue is while there have been a lot of partisanship with respect to the welfare issue and gnashing of teeth as to the mean-spiritedness of the welfare proposals that have been put forward, this particular area of the welfare bill has attracted broad bipartisan support.

When explained, most Americans—all Americans—support this kind of change. I have not heard of any organized opposition to the bill I introduced along with Representative PETER BLUTE from Massachusetts in the House or the one that was introduced here in the Senate.

The House of Representatives, in the welfare reform debate, debated this issue on the floor and it passed, I believe, unanimously on the floor of the House.

The bill now comes to the Senate as an amendment to the House welfare reform bill. Whether we bring it up, I hope this issue can be addressed, because I think it is important in not only reducing welfare fraud—and this is clearly welfare fraud—but also facilitating police operations in tracking down wanted criminals.

We know from the National Crime Information Center there are roughly 400,000 outstanding fugitive warrants in this country. As I say, believe it or not, a sizable portion of those fugitives are on welfare receiving food stamps or AFDC or some other welfare assistance, Federal welfare assistance. SSI is a big one, where they receive assistance from the Federal Government to help support their lifestyle while hiding from law enforcement authorities.

That is bad enough, but under current, law Federal and State law, law enforcement authorities are not able to contact the welfare offices to assert any information about this fugitive. Why? Because of welfare privacy laws. If a person gets on welfare they can collect their check, collect their benefits, and be completely immune from anybody ever finding out that they are on the welfare rolls. This is almost unbelievable. But that is, in fact, the case.

Now people may say, how many people are on this? Is this really a problem or is this an isolated case?

Let me first give Members the case. The case that really brought this to my attention was an article in the July 29, 1994, Pittsburgh Tribune Review.

I will read:

Fugitive Used Real Name for Welfare

James Brabham knew who he was. During a decade on the lam for a 1984 slaying in Pittsburg, he used at least five aliases and five Social Security numbers.

But when he went on welfare he used his real name—and his State-issued welfare card bore his current address and photo.

The cops who arrested him on Wednesday in Philadelphia saw the card when they asked Brabham for identification. They hadn't known he was on welfare.

"I'm sure it would have made things a lot easier," said Detective Joe Hasara of the Federal Fugitive Task Force in Philadelphia, one of the squads that for years pursued lead after dead-end lead searching for Brabham.

I went and met with the Federal Fugitive Task Force in Philadelphia. What they told me was absolutely amazing. They believe from the 90-some fugitives they have caught since

the task force has been put together the last couple of years that 75 percent of the people they have tracked down had welfare cards. Seventy-five percent. They have no way to go and find out the information about what their current address is, what their Social Security number is, or even a photograph.

In Cleveland, the Fugitive Task Force ran a sting operation—one of these things where a person gets free things and they invite only certain people and they catch the folks who show up—33 percent of the people who showed up at this sting operation had welfare cards.

Again, because of court decisions and the Welfare Privacy Act, they had no way of contacting or getting this information from the welfare office.

People may say, "OK, these folks have welfare cards. But how many of them use their real name?" I asked that of the Philadelphia Fugitive Task Force. I said, "How many use their real name?" They laughed, and they said almost all of them use their real name and real Social Security number.

I said, "Well, why in the world would they do that?" The answer is, because they do not want to lose their benefits. They do not want to be accused of a welfare problem, and they can get in trouble for a whole bunch of other things, so they use their real name and real Social Security number so they can get the benefits. It is a very good source of the true name and the true Social Security number of people who are on the lam.

Now, what we have suggested in this legislation is to permit law enforcement agencies that have a fugitive warrant to be able to go to a welfare office and say "Look, we would like to know if John Doe is in your file and, if so, we would like the address of John Doe, we would like the Social Security number of John Doe, and we would like a photograph of John Doe."

People wonder why we need a photograph. In the original legislation I proposed in the House, I did not have "photograph." But the Fugitive Task Force in Philadelphia said this is very helpful information because a lot of times they have fugitives who are first-time felons, and they have absolutely no idea what they look like. So this gives a current picture to be able to track this person down. It is very helpful information.

Now, again, this is a bipartisan bill. There is bipartisan sponsorship on the bill here. We hope that this is a measure that can sail through the House, whether we do a welfare reform package or not, and it passes again, this is something we can do to eliminate a welfare problem that we know is occurring.

People who are fugitives are not permitted to be on welfare. Again, there is no way of checking that. And, number two, to give police officers the opportunity to track these people down and get better information.

There is another part of the bill I will briefly discuss, and that is another situation we found out about from our hearings on welfare in the last couple of years, which is the definition of what "temporarily absent" is from a home.

We have situations where we have parents who have children who are on AFDC, whose children end in jail for long periods of time, or run away from home for long periods of time, or are in detention, or a whole lot of other things, but they are out of the house.

If they are out of the house for any period of time the welfare benefit that goes with the child—that is where most of the welfare cash goes and other benefits go—should cease to the mother or the parents—not necessarily the mother.

There is no definition in most States as to what "temporarily absent" means, so we provide a definition of how long a child should be away from home to determine whether that person is temporarily absent, or in fact, permanently absent. If they are permanently absent, they lose their welfare benefits.

We have seen situations where parents have collected welfare benefits literally for years when kids are in jail, and they keep collecting the money, because the State has never determined what "temporarily absent" means. That, we believe, is an abuse that can be stopped.

Again, this provision had bipartisan support and we hope will be so supported here in the U.S. Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, I ask unanimous consent to proceed as in morning business.

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

#### THE BILLIONAIRES' TAX LOOPHOLE

Mr. KENNEDY. Mr. President, I hope that we will soon be able to vote in the Senate on the unjustified tax loophole that exists for billionaires who renounce their American citizenship in order to avoid taxes on the wealth they have accumulated as Americans.

This reform was first proposed in President Clinton's budget on February 6. The Senate Finance Committee closed this loophole as part of its action on the bill to restore the health care deduction for small businesses.

The committee took this action to close the billionaires' loophole, despite the fact that the revenue gained was not needed to pay for the health care

deduction in the bill. In fact, the committee recommended that these revenues be used for deficit reduction. This is exactly the type of action necessary if we are serious about achieving a balanced budget.

According to the revenue estimates in the committee report, closing this loophole would raise \$1.4 billion over the next 5 years, and \$3.6 billion over the next 10 years. Clearly, substantial revenues are at stake.

Too often, we close tax loopholes only when we need to raise revenues to offset tax cuts. In this case, the committee closed this flagrant loophole as soon as it was brought to the committee's attention—and rightly so, because this loophole should be closed as soon as possible. The Senate bill did so, and all of us thought the issue was settled.

Yet the legislation came back to us from the Senate-House conference, and the loophole had reappeared. This outrageous tax break for two dozen or so of the wealthiest individuals in the country will remain open.

We have been told that the loophole was preserved because of unanswered questions about whether closing it would violate U.S. and international laws on human rights. But it certainly does not. All citizens of the United States have a basic right to leave the country, live elsewhere, and relinquish their citizenship.

Any and every citizen surely has the right to repatriate. Closing the loophole would not prevent any individuals from shifting their assets and their citizenship to a foreign country. Rather, it would just make sure that those who have amassed great wealth through the U.S. economic system pay their fair share of taxes, as the rest of us do. It is a provision which a dozen other countries have enacted for the same reasons.

Prof. Detlev Vagts of the Harvard Law School has said,

The proposed tax does not amount to such a burden upon the right of repatriation as to constitute a violation of either international law or American constitutional law. It merely equalizes over the long run certain tax burdens as between those who remain subject to U.S. tax when they realize upon certain gains and those who abandon their citizenship while the property remains unsold.

Andreas Lowenfeld, a professor of international law at NYU said,

I am confident that neither adoption nor enforcement of the provision in question would violate any obligation of the United States or any applicable principles of international law.

Michael Matheson, a legal advisor at the State Department said;

This provision does not conflict with international human rights law concerning an individual's right to freely emigrate from his or her country of citizenship . . . a state, in order to protect its interests, may impose economic controls on departure as long as such controls do not result in a de facto denial of an individual's right to emigrate . . . These are comparable taxes to those which U.S. citizens or permanent residents would have to pay were they in the United States