

Peña when he was the mayor of Denver. According to a March 26, 1995 article in the Denver Post newspaper, Alvarado Construction Co. received a \$13 million contract to build an administration at the new Denver airport. Alvarado got the bid, however, even though its first bid was disqualified. In order to ensure that Alvarado got the bid, someone voided the first round of bidding for the contract and set up a new round of bidding. Alvarado got the contract on the second round. According to George Doughty, who was the Aviation Director at the time, Peña made the ultimate decision to void the first round of bidding. Secretary Peña said he wasn't involved and he didn't even know that Alvarado had received the bid. Finally, Alvarado was a strong financial backer of Secretary Peña when he was the mayor of Denver as well as a member of the Latin American Management Association. I ask unanimous consent that this article be printed in the RECORD.

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

[From the Denver Post, Mar. 26, 1995]

MR. PENA AND A PAIR OF PROBES

(By Gil Spencer)

At the top of the Sunday, March 12, front page was this Denver Post headline: "Probe Zeros in on Pena."

At the top of the Friday front page just six days later, was this Denver Post headline: "Pena Inquiry Dropped."

With Commerce Secretary Ron Brown under investigation, with former Agricultural Secretary Mike Espy under investigation, with Housing Secretary Henry Cisneros under investigation, and with the president himself under investigation for financial dealings while he was governor of Arkansas, it is worth more than a mere mention that Transportation Secretary Federico Peña has been cleared by Attorney General Janet Reno, who is not under investigation.

I last talked to Federico Peña almost exactly three years ago. The topic was his integrity, which, if pushed, he might liken to a cross between the Hope Diamond and the Holy Grail. He thinks very highly of his integrity, and not very highly of anyone who might question it, which he said The Denver Post did.

Keeping Mr. Peña's opinion of his integrity in mind, imagine his reaction when some blabber-mouths in Los Angeles started making noises about Peña's former investment firm, which he founded after he left the mayor's office and which he sold in 1992, still bearing his name. The firm, Pena Investment Advisors, was awarded a rather succulent contract to manage a \$5 million Los Angeles transit pension fund.

Peña Investment Advisors got the transit contract less than three weeks after its namesake became transportation secretary. The timing of the contract award and the investment firm's pedigree intrigued certain parties in Los Angeles and inspired an intriguing comment by the manager of the transit pension fund, one Melvin Marquardt.

Marquardt, a candid soul, was quoted as saying the investment firm would not have been retained if President Clinton hadn't made Peña secretary of transportation.

Enter Janet Reno. Investigation opens. Investigation closes. Federico and his integrity ride on.

That seems about right. There may possibly have been a case. If so, it was hardly

visible to the naked eye. In the other words, the only thing on the table was timing: Pena gets a big job and his old firm gets a big contract. If the firm had been a hopeless loser, Ms. Reno's alarm would have gone off. It would have had to. As it was, the firm seemed qualified and, of course, richer. Life in big-time politics.

Incidentally, in dismissing the contract allegation, Janet Reno also closed down a Justice Department investigation into whether the city—both Pena and Webb—was illegally diverting revenue from Stapleton and using it for non-airport services.

Peña's own department is continuing to investigate that charge, for what it may or may not be worth. And because I know you're absolutely on the edge of your chair, we'll keep you advised.

So Federico Peña is in the clear and has issued a statement that he is pleased but not surprised, adding that his focus has been and remains on serving the president and the American people.

In that spirit, he might turn back the calendar to May 1991. He was mayor Denver and the Alvarado Construction Co. had been awarded a \$13 million contract to build the administration building at the new airport. That contract drew political fire 10 months later, when it was learned that Alvarado's first-round low bid had been defective and thus was disqualified.

Standard procedure would have had the contract awarded to the second low bidder, which in this case appeared fully qualified. Didn't happen. The city rejected all bids, saying it did so in the city's best interest, and Alvarado wound up with the contract.

Alvarado got the contract on the second bounce. Mayor Pena said he didn't even know Alvarado had the contract. Aviation Director George Doughty said it was Peña's ultimate decision. Pena said somebody must have had the impression that he made a decision he didn't make.

There's a fat lie in there somewhere.

Peña said he didn't know Alvarado had a \$13 million city contract? Pena's world was alive with Alvarados—enjoying his support before the city council, contributing to his '87 campaign and his post-mayorial investment firm (Linda Alvarado became a director of that firm in 1993). He didn't know?

It's been three years since Pena damned The Denver Post for questioning his integrity in connection with the Alvarado contract—three years since the issue was buried whole. This isn't the first time I have written about the issue and it isn't the second. There may be a fourth. That contract has a certain fragrance. Then there was the lying. But maybe we're got it all wrong. Care to straighten us out, Mr. Secretary?

Mr. GRASSLEY. Mr. President, I would also like to point out that D.M.E. has received approximately \$30 million in contracts with the Transportation Department. Roughly one-half of those contracts were entered into after the Coast Guard audit detected financial irregularities. Did the questionable practices of D.M.E. at least cause concern within the Transportation Department?

Now these concerns shouldn't necessarily prevent Secretary Peña's nomination from going forward at this time, but there are serious questions about public integrity which require serious answers—not politically expedient ones.

Mr. DASCHLE. Mr. President, I am pleased that we have finally arrived at this point in the process to confirm

Federico Peña as the new Secretary of Energy. In my view, it has already taken too long to bring this nomination to the floor of the Senate and I hope and expect that he will be confirmed overwhelmingly today.

The delays in bringing this nomination to the floor have had nothing to do with Secretary Peña's qualifications for the job. His reputation and integrity are unblemished. Through his long and distinguished career in public service, Secretary Peña has established an outstanding reputation as a creative and able administrator, including his work as mayor of Denver, CO, and more recently as Secretary of Transportation.

The questions that have been raised about his fitness for this job have all been answered through extensive questioning before the Senate Energy and Armed Services Committees. No one can argue credibly that Secretary Peña does not have the experience or leadership to head the Department of Energy.

The delay in bringing this nomination to the floor has resulted from efforts to force the administration into accepting an ill-conceived plan to establish an interim nuclear waste depository in Nevada. This effort to link this confirmation to changes in administration policy has been unfair to the administration and to Secretary Peña, who has pledged to work with Congress to try and find a solution to this complex and daunting problem in a manner that is acceptable to all involved.

The Energy Department needs a Secretary now to address the range of issues and challenges that lie before it, including nuclear waste disposal, electric utility deregulation, hazardous materials cleanup, and the broad questions about our Nation's future energy supply. Federico Peña will be an excellent Secretary of Energy and I fully expect that he will guide that Department through these many challenges in a decisive and competent manner.

I urge all my colleagues to join me in supporting the nomination of Federico Peña to be Secretary of Energy and to work cooperatively with him in the future to address responsibly the challenges that face our great Nation.

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

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

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction