

During a three-month crusade, he visited local school boards and state education officials, promising he would get program pamphlets to every school that would distribute them to kids to take home to their parents.

"I printed up two million pamphlets," he said.

The fledgling program paid for as many as it could. The plan, starting up with \$600,000 borrowed from a state insurance fund, couldn't pay for them all.

Barnett Bank donated ad agency services, and Tate wrote checks to TV and radio stations around the state to broadcast spots. He paid all his travel costs, too.

He estimates his campaign cost him \$200,000 out of pocket. At first, he called it a loan, but he never sought repayment.

"I can't get him to take state reimbursement to save my life," Blank said.

#### THOUSANDS SIGN UP

When the first enrollment period ended in January 1989, the Florida Prepaid College Program had sold 58,651 contracts—below Tate's initial expectation of 100,000 but far more than skeptics ever imagined.

Tate, 70, said he had highly personal reasons for his crusade as well as general principle.

Attending the University of Florida in the 1940s was one of the toughest ordeals of his life, he said in an interview last week.

The son of a tung-oil dealer from Miami Beach, he was the first in his family to go to college. He worked at Gainesville's Primrose Inn restaurant for tips and meals. For two years, he couldn't go home for Christmas break; otherwise he would have lost his job.

That experience illustrated how deeply he values a college education.

"I have always said that if this state is going to prosper, we've got to have more of our young people going to college and staying in Florida," Tate said.

As a developer who built a real-estate empire in Florida and South Carolina, he knows that a large pool of highly educated workers is a magnet for industries and corporate operations. They buy prime property and construct upscale facilities and pay well. Their employees buy nice houses, cars and boats, and they get involved in civic and cultural life, making communities stronger, he said.

#### A POLITICAL FIGURE

He was a case in point. He graduated from UF, came back to Dade, built a home in Bay Harbor Islands, served 20 years in Bay Harbor Islands government as a councilman, vice mayor and mayor. He also became a fixture in Republican politics, but worked comfortably with Democrats, too.

In 1993, President Clinton nominated Tate as chief executive officer of the Resolution Trust Corp., which was charged with cleaning up the national savings-and-loan mess. He spent five months in Washington preparing to move into the job, but returned to Miami when the Senate would not set confirmation hearings.

Tate's critics accused him of trying to get involved in details of agency decision-making on behalf of friends and politicians. Tate, however, believes he was a victim of sniping from insiders who objected to the strong hands-on management methods he believed were necessary to identify and correct problems in the troubled regulatory agency.

In any event, in Tate's mind, all of his other civic achievements pale in significance to the prepaid program.

"When you think of all the many thousands of college educations we've helped make possible, that's a real legacy," he said.

The program succeeds because it lets families work together to the benefit of everybody's children, said Tate, who has enrolled all of his Florida grandchildren.

#### A MATTER OF MATH

He knew the plan could work after he saw two sets of figures, he said:

From 1967 to 1987, state university tuition rose an average of 7 percent a year. During the same period, stocks and bonds earned an average of 7.5 percent a year. The statistics showed that if parents, grandparents and other benefactors paid into the plan at current tuition rates, a well-run investment would make their money grow enough to cover future tuition increases.

Tate predicts the recent erratic stock and bond markets will stimulate a surge of interest in prepaid tuition this year.

In the past, experts like Mike Powers, whose book *Investing for Your Child's College Education* has just appeared, have recommended prepaid plans for poor money managers. But Powers wrote, "When examined from a purely economic perspective, they're a lousy investment."

But Powers wrote his book during a five-year market boom. By the time it hit bookstores, markets were plunging.

When investors get stockbrokers' reports "and see their value has gone down 15 or 20 percent," Tate said, they'll see new merit in the idea of paying this year's tuition rates to cover college costs that will be incurred up to 22 years from now—when this fall's newborns are college seniors.

But he worries that a souring economy could lead prepaid tuition contract-holders who need the program most to drop out. If recession hits, he fears, thousands of cash-strapped Florida families who are prepaying tuition in monthly installments will let the contracts lapse.

Contract-holders who let their payments lapse get a refund of what they paid in, with no interest. But the contracts cannot be reinstated.

"It's probably the second-most important debt payment you can make, right behind your mortgage payment," Tate said.

### NATIONAL INSTITUTES OF HEALTH FUNDING JUSTIFICATION

#### HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 21, 1998*

Mr. GEKAS. Mr. Speaker, in the midst of political controversy, I rise to thank my colleagues, Chairman JOHN PORTER of the Labor, Health and Human Services, and Education Subcommittee, the entire Appropriations Committee, and the Speaker for their leadership on the House Labor HHS Appropriations bill, thus disproving the disturbing mischaracterization of this Congressional session, what some have called a "do nothing" Congress. Instead, I am proud to be here today to talk about the historical achievement that has taken place, the fruit of many years of work.

I'd like to thank my colleagues for making medical research funding a priority this year by providing a 15% (\$2 billion) increase for the National Institutes of Health. Over the years, the Labor HHS Appropriations bill has allocated money wisely and responsibly, this legislation is known as a fiscally conservative bill. The few allocations that are made, such as NIH funding, are carefully considered.

It is essential to point out that money invested in basic research cannot be expected to achieve a specific outcome. Instead, we can expect to use such funds to accelerate the pursuit of knowledge. As the new millen-

nium approaches, we are on the cusp of a "golden age" of medical and health discoveries. Additional money will help increase the likelihood that such discoveries will take place. The outcomes will contribute to reducing suffering and improving the quality of life for future generations of Americans and all human beings.

I thank my colleagues for their work and for having the chance to discuss this achievement with you today. I encourage my colleagues to read the detailed justification for an increase in NIH funding which I am submitting for the record.

#### NATIONAL INSTITUTES OF HEALTH FUNDING

The National Institutes of Health has been operating for many years at funding levels far below its capacity. Many new and exciting research ideas that hold tremendous promise for the prevention and treatment of disease have gone unfunded because of limited dollars, not due to lack of scientific merit. These trends, coupled with the wealth of emerging scientific opportunity, underscore the need to enhance our national investment in the health sciences.

An increase of 23% over FY98 in NIH funding would be required to address scientific opportunity in all of the Institutes under a scenario where budget dollars were unrestrained. The "Omnibus Appropriations" measure provides an historic 15% increase for the NIH. NIH has developed specific action plans for each of its Institutes to guide a significant resource expansion. Although it is impossible to identify which of the lines of scientific investigation will lead to a new treatment or cure, there is no shortage of emerging scientific opportunity which should, as judged by past example, produce positive results to improve the quality of life in this Nation.

For example, in the National Cancer Institute alone, professionals have called for a \$3.19 billion budget in FY99. The House Appropriations proposal of a 9% increase would provide approximately \$2.78 billion for NCI. Richard Klausner, NCI Director, said the difference would mean that, under the full increase, one-third of the agencies' grants would be funded rather than 28% being funded under the latter scenario. Secondly, NCI is considering a major expansion and redesign of its clinical trial system. Funding will affect the speed with which NCI can expand this system so that the trials are faster and more trials can be done. Additional funds would also help bring the clinical trials system up-to-date with technology. Instead of the pencil and paper system in place for over 40 years, the additional increase could help pay for a new information-based electronics system to accommodate the more complex clinical trials associated with biological markers.

The funding increases provided for the NIH in this bill will accelerate research across the board, but particularly in six key areas of emphasis: disorders of the nervous system, genetic medicine, pathogenesis, computers and instrumentation, new approaches to disease prevention, and new avenues to therapeutics.

In FY99, NIH plans to increase the number of grants substantially to an all-time record of just over 30,000 awards. Nearly 8,300 new and competing awards will be made, achieving a success rate very close to 1 of every 3 grants being funded. In addition, the size of the average new and competing award will increase by about ten percent, permitting Institutes to fund a greater number of grants at the levels recommended by review groups and to better support more expensive forms of research such as patient-oriented research

or research that requires vertebrate animals to provide models of human disease.

Funds will be used to develop new and more powerful instruments; to attract trainees and scientists in other fields to the problems posed by biology and medicine; to allow more groups of investigators to purchase shared instruments; and to expand the use of computers for analysis, exchange, and storage of data.

With increased resources, NIH will be able to enhance their efforts to recruit and train the most talented individuals for careers in biomedical research. The agency will fund innovative research training programs that emphasize trans-disciplinary work, will increase by 25% the stipends that are currently provided to graduate students and post-doctoral fellows and a research environment will be created that offers improved stability and increased likelihood of research funding than was true in early years of this decade.

The promises of biomedical research to better human health can only be achieved if we strengthen the nation's capacity to perform clinical research, especially the research carried out through direct interactions with patient populations. With new funds in FY99, NIH will initiate several new categories of awards to enhance training and support of clinical investigators; a program that will finance a supervised five year apprenticeship for over 400 young investigators; a program that will provide salary support for the clinical research activities of 250 to 400 mid-career scientists who can serve as mentors; and a training program that will bring organized didactic programs in clinical research to over twenty institutions.

NIH will significantly increase support for the national outstanding centers for clinical research, including the General Clinical Research Centers; will expand their new program on the NIH campus that introduces medical and dental students to clinical research; continue loan repayment programs to clinical trainees from disadvantaged backgrounds in the intramural program and support the continued construction of the Mark O. Hatfield Clinical Research Center of the NIH campus.

As with all federal agencies, NIH is committed to frequent review and close oversight of its scientific and administrative practices. Despite a traditionally strong reputation for expert review of grant applications, the Center for Scientific Review is currently reexamining and restructuring NIH's peer review panels. Last year, the agency commissioned a large-scale review of administration at NIH, conducted by Arthur Andersen. While the review was generally complimentary of NIH's practices, the agency is currently in the process of implementing recommendations for improvement.

This year, the Institute of Medicine conducted a study of the process by which NIH identifies priorities for research funding. NIH is moving expeditiously to implement the IOM findings by building new avenues for public input.

#### MONEY LAUNDERING AND FINANCIAL CRIMES STRATEGY ACT OF 1998

SPEECH OF

**HON. NYDIA M. VELAZQUEZ**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 16, 1998*

Ms. VELÁZQUEZ. Mr. Speaker, to many, money laundering may seem like the stuff of spy novels. But, to my constituents, money

laundering by drug cartels is a plague on the community. The fact of the matter is that money laundering has become big business, which is why it is drawn to financial centers like New York City. But in doing so, it has settled in areas like Jackson Heights, Queens in my district. The unfortunate reality is that these criminals do not bring investment dollars and a better way of life for my constituents—they bring guns, fear and death.

To date, Congress has done little as a partner in this war. The time was long overdue for Washington to reach out even more and form partnerships with those on the front lines.

Finally this year, the Banking Committee held a hearing to highlight the work of the El Dorado Task Force in New York City. El Dorado is a network of federal, state and local law enforcement officers and prosecutors who focus on fighting money laundering in Jackson Heights, Queens and Washington Heights, Harlem.

El Dorado has targeted money remitter services that are used more and more frequently by drug cartels to launder money abroad. In fact, the task force identified 12 large scale businesses in the New York Metropolitan area that were used to wire hundreds of millions of dollars in illegal drug proceeds overseas. These companies are affiliated with hundreds of smaller businesses ranging from travel agencies to beeper and cellular telephone outlets, which are found in predominantly poor immigrant neighborhoods throughout the city.

The result was that communities like Jackson Heights were becoming magnets for drug cartels to funnel their illicit proceeds from drug sales to drug source countries. That is how I became involved almost four years ago.

Hoping to reclaim their neighborhoods, I was approached by several constituents during a community meeting in Jackson Heights. They told me that Roosevelt Avenue was becoming overrun by envios, or money wire services, that drug dealers were using to launder money to Medellin and Cali. They wanted my help, because they saw their neighborhoods being overrun by drugs, violence and more crime.

Joining forces with District Attorney, Richard Brown, I formed a working group to put an end to this type of crime. First of all, everyone agreed that the best way to attack the drug cartels was to get them where it would hurt them the most—their profits. In order for cartels to reap profits, proceeds must be laundered. That is how the Money Laundering and Financial Crimes Strategy Act was conceived.

The idea was to bring together every person and entity involved in the war on drugs from state and local police and prosecutors to federal agencies. In order to better coordinate these efforts to fight money laundering, the Department of Treasury was made the lead agency, in conjunction with the Department of Justice.

The two agencies were charged with developing a national strategy that would coordinate efforts between all federal, state and local financial institutions, law enforcement, and prosecutors. Since cartels change their mode of laundering illegal proceeds as quickly as law enforcement officials catch up with them, the definition for money laundering was key. The original definition of money laundering included many predicate offenses, that might

cause confusion when developing the national strategy. For that reason, the Administration requested and the Senate agreed to change the definition of money laundering. As it is now defined in H.R. 1756, money laundering is more narrow, while giving the Secretary of the Treasury the ability to keep up with the different ways that money can be moved in, out and through any financial institution in the United States. However, the definition of money laundering in this legislation has always included related state and local statutes, and it still does.

The goal of the strategy is to coordinate a response to money laundering between federal, state and local law enforcement and prosecutors. The intention was never to give the Secretary of Treasury new powers over other agencies or for the Department of Treasury to usurp the authority of other agencies involved in our war on drugs. However, some concerns were raised by the Chairman of the Commerce Committee with respect to the Securities and Exchange Commission. As author of this bill, I will state clearly and unequivocally for the record that it is not the intention of this legislation to give the Secretary of the Treasury any new or additional powers over the SEC. It is purely our intention that all agencies involved work together and coordinate a federal response against money laundering. Since agencies like the SEC, although not political in nature, regulate entities that are subject to a lot of money laundering, the SEC needs to participate in developing the strategy and combating these crimes.

Additionally, state and local law enforcement voiced their concern about not having enough resources to fight huge crime syndicates. They made it clear that they wanted to be at the table in order to include their experience. For that reason, the definition of money laundering stipulates that state and local statutes on money laundering are to be considered when developing the national strategy. Also, the theme throughout the legislation is a coordinated response with localities, to help them deal with the problem of money laundering.

In fact, the designation of high risk money laundering areas is meant to highlight that certain communities experience more severe problems with money laundering and need more help. The grant section of the legislation is specifically meant to provide additional money to local law enforcement officials and prosecutors—especially those with a proven track record of joining forces with other localities—to help them combat money laundering. These localities should be the recipients of the grant money—not federal or state officials.

The goal of H.R. 1756, the Money Laundering and Financial Crimes Strategy Act of 1998, is the formation of better partnerships and more equitable distribution of resources in our war on drugs. Greater attention can now be given to fostering participation by smaller local law enforcement agencies, by making additional resources available and giving them a greater ability to share information with each other and the federal government. Together, we will be able to hit drug cartels where they feel it the most. Together, we will win this war on drugs.