

Chief Executive Officers accountable for fraudulent actions. It will not hold CEO's responsible for the accuracy of their companies' financial statements. This legislation allows CEO's like Enron's Ken Lay to keep inflated salaries and bonuses while robbing innocent employees and investors. This legislation actually encourages the deceptive behavior that allows executives to pocket millions of dollars while their employees lose their health care benefits, retirement savings, and their confidence in the corporate elite.

Everyone is being affected by the failure of major corporations. Earlier this year DCT Inc., a metro Detroit corporation, went bankrupt and gave employees an hour's notice of lay-offs instead of the sixty days required by federal law. DCT employees were left without health care, back vacation pay, and matching 401K retirement funds. Their final paychecks bounced and, adding insult to injury, banks still charged the laid off workers \$25 for the bounced paychecks.

Obviously no company is immune from financial difficulties, but it is hard to accept when the corporate elite are insulated from financial failures at the expense of the average worker. Kmart, for example, recently entered bankruptcy. Kmart retirement stock options that were worth \$35,000 last August are now worth less than \$1,800. Nonetheless, a judge recently approved a \$1.5 million salary for Kmart's new CEO, a signing bonus of \$2.5 million, and incentives worth another \$1.875 million dollars. A bankrupt company is paying its new and unproven CEO upwards of \$4 million dollars, while the average store worker faces an uncertain future. HR 3673 does nothing to prevent abuses to the common worker.

HR 3763 was intended to eliminate conflicts of interest between corporations and their auditors. However, much to this House's discredit, HR 3763 is a facade for regulation of ethical conduct that doesn't even prevent auditors from holding stock in the companies they audit. The legislation asks the SEC to "study" industry disclosure practices but does nothing to guarantee accuracy and transparency in existing disclosures. The American worker needs strong reform, both by corporations and by the SEC, in order to ensure that audits are accurate and reflect the true earnings of corporations and to eliminate conflicts of interest between corporations and their auditors.

My colleague, Congressman DENNIS KUCINICH, offered a substitute to the Republican bill that would have created a Bureau of Audits within the Securities and Exchange Commission. This Bureau would have generated unbiased audits, by removing auditing itself from the private sector. This proposal would have removed the auditor from the pay of the audited. Federal auditors would create an environment of neutrality, thereby fostering accurate and fair audits.

The Democratic substitute offered by Congressman JOHN LAFALCE, Ranking Member on the Financial Services Committee, would have mandated corporate responsibility and executive accountability by subjecting executives to criminal penalties for knowingly misleading investors, employees, and the financial community. Executives should be criminally liable for false representations regarding corporate assets that they are supposed to protect. Ken Lay and other members of the Enron executive board, their friends and families, which include members of the Bush Administration,

profited from the losses of investors and employees. Tougher penalties would make it far less likely that future Enron's would occur. Enron isn't an isolated case, white collar fraud cases like it are popping up all over the place against companies such as Global Crossing, Qwest Communications and others. Their accountants, investment bankers and lawyers are now being investigated for possible collusion by regulatory agencies in Washington and by Congress itself.

Today, my colleagues turned a deaf ear to the voice of thousands that were affected by corporate fraud and deception. Instead the House has winked at the financial elite that have forsaken their fiduciary duty for personal gain. Hopefully, our colleagues in the Senate will improve on this fig leaf of reform and enact legislation that will truly strengthen the hand of the SEC and ensure the quality and independence of corporate auditors.

#### TANF REAUTHORIZATION

### HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 25, 2002*

Ms. WATERS. Mr. Speaker, right now, this Congress is working on reauthorization of Temporary Assistance to Needy Families, or TANF ("tan if"). There are some good bills out there that really address critical problems with welfare, such as PATSY MINK's bill, H.R. 3113.

Unfortunately, the bills that are actually moving toward the Floor have some very substantive problems. Those bills are H.R. 4090, introduced by WALLY HERGER, and H.R. 4092, introduced by BUCK MCKEON. Both bills follow closely along the lines of the Administration's proposal, and neither will make positive steps toward reducing poverty in this country.

The main theme for all of the Republican proposals is workfare. I'd like to talk for just a minute about what workfare is and what it is not.

Workfare is a program where people are herded like cattle into unskilled labor, where they are paid low wages and not given protections that non-welfare recipients have, such as minimum wage, OSHA protections, and civil rights regulations.

In New York's largest workfare-type program, 30,000 municipal jobs have been displaced by workfare jobs. The welfare workers who were doing the same jobs as the municipal workers have not been given minimum wage and work protections.

Workfare has been called ineffective by some states, and expensive by many others. The expense is so great that, to institute it on the level called for by HERGER or MCKEON's bill would divert resources from other initiatives. Doing so would cut off recipients from services they desperately need, such as training and child care. In a nutshell, it would be counterproductive.

At a time when the Administration's budget flat funds TANF, decreasing the value of the block grant by 22 percent, we cannot embark on new experiences that will waste the precious dollars we have.

What we do need is a new focus on education and training. Single female heads of households with a high school diploma are 60 percent more likely to have jobs. That number

increases to 95 percent when they have an associate's degree. In addition, jobs requiring the least education experience the lowest professional growth, according to the U.S. Bureau of Labor Statistics.

The studies that have been done, and the stories from recipients tell us in no uncertain terms what we need to do to get people off of welfare and out of poverty. It is crucial that we pay attention to their suggestions, rather than going off in new directions with no proven track record.

IN MEMORY OF HAROLD P. FURTH

### HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 25, 2002*

Mr. HOLT. Mr. Speaker, earlier this year, our nation lost a pioneer and leading intellect in the U.S. fusion energy program and the originator of the Tokamak Fusion Test Reactor (TFTR) project. The former director of the Princeton Plasma Physics Laboratory (PPPL) located in central New Jersey, Harold P. Furth died on February 21, 2002.

Furth made a career of research on controlled fusion, making countless contributions to the science of fusion plasmas (hot, ionized gases) and the fundamentals of plasma physics. He provided scientific and managerial leadership to the world fusion program throughout his career.

In the 1960s, Furth and others developed a critically important theoretical description of instabilities arising due to resistance in a plasma. Later, he and two others described a method for using energized ion beams to heat a plasma in such a way as to enhance fusion reactions. This breakthrough was critical to the design of TFTR and enabled the production of world-record levels of fusion power and the study of the fusion power reactions. Furth also was instrumental in research on the physics of ignited (self-sustained) plasmas.

In the early 1970s, he conceived the TFTR project, the most advanced and highest performance fusion device ever constructed in the United States. Furth served as Director of PPPL from 1981 to 1990, during which time TFTR was launched. The machine operated for 14 years, producing world record-setting and major scientific results before closing down in 1997.

A native of Vienna, Furth came to the U.S. in 1941. He received a Ph.D., in physics from Harvard in 1960 and worked on controlled magnetic fusion research at the Lawrence Radiation Laboratory (now the Lawrence Livermore National Laboratory) in California prior to joining PPPL in 1967 and being appointed Professor of Astrophysical Sciences at Princeton University. He co-headed the Experimental Division at the Laboratory from 1967 to 1978, when he was appointed Associate Director and Head of the Research Department at PPPL. He became Program Director in 1980 and Director of the Laboratory in 1981.

A fellow of the American Physical Society and the American Academy of Arts and Sciences and a member of the National Academy of Sciences, Furth served on the Board on Physics and Astronomy of the National Research Council's Commission on Physical Sciences, Mathematics and Resources. He received the E.O. Lawrence Memorial Award