

health care fraud can be sentenced to anywhere from 5 to 13 years in prison, substantial penalties and supervised release for a period of years. In any health care reform proposal, I believe we must address the significant potential for people of ill will and profit motives to defraud the Government at the expense of the taxpayers. Therefore, I will push hard for enhanced sentences with real jail time for white collar fraudsters. As the chairman of the Crime and Drug Judiciary Subcommittee, I will push for consideration of sentencing enhancements as at least one alternative and, where appropriate, lengthy jail sentences where the financial losses to the Government are great. It would be intolerable for criminals to defraud the Government of millions of dollars only to have to pay a fine that amounts to the cost of doing business.

According to the National Insurance Crime Bureau and the National Health Care Anti-Fraud Association, the annual loss from health fraud is 10 percent of the \$2.2 trillion spent annually on health care, or \$220 billion. This amount of fraud must be identified and warrants real jail time, which should be taken up in this reform.

Health care reform provides an opportunity to correct a longstanding problem in the Medicare payment system. In determining the payments to hospitals for services, Medicare takes into account the location of a hospital and how much those employees are paid. It is understandable that some areas of the country, where the cost of living is higher, should be reimbursed at higher levels. However, the current system has led to many imbalances that have left some areas of the country disadvantaged. In Pennsylvania, for example, the Scranton—Wilkes-Barre area and Allegheny Valley have received decreasing Medicare payments, which have forced a pay reduction to employees and a reduction in services to patients that rely on them.

Last year, the Medicare Payment Advisory Commission—MedPAC—released a report calling for the system to be reformed. The commission stated that the current system created “cliffs” in payments, which resulted in arbitrary changes in payments in neighboring areas. These disparities can affect competition for employees and will harm services to Medicare beneficiaries. This legislation must include the reforms supported by MedPAC to correct this serious problem of inequity.

The health care crisis in our country endangers the health of our people, our economic viability and our future stability. Now, more so than ever before, it is critical that we pass legislation to ensure all Americans have access to quality and affordable health care. This undertaking requires prompt and effective action. I remain open to ideas on how to accomplish this exceptional task and look forward to working with my colleagues to determine the best path to do so.

In the absence of any Senator seeking recognition, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. I ask unanimous consent that the order for the quorum be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak in morning business for such time as I may consume.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### CREDIT CARD REFORM

Mr. DORGAN. Mr. President, this week we will once again take up legislation—and, hopefully, finish it—called the credit card reform bill. I wanted to speak for a few minutes about what the bill contains and why it is important we enact that legislation.

I have spoken many times in the last year and a half about the subprime mortgage scandal. It is another adjunct of this. A substantial amount of debt, debt to purchase a home, is not unusual. Almost no one can purchase a home by using cash because they don't have that kind of cash. So they borrow money, which is called a home mortgage. The subprime home mortgage scandal is unbelievable, and I have spoken about it at length. I have shown advertisements from Countrywide Mortgage which was the largest mortgage lender, from Millennium Mortgage and Zoom Credit, and other mortgage companies that were advertising to people with: If you have been bankrupt, if you have bad credit, if you don't pay your bills on time, come to us. We will give you a mortgage. It was unbelievable what was going on. Bad credit, no credit, slow credit, bankrupt, come to us. We will give you a home mortgage.

That sort of thing steered this country's economy right into the ditch and caused a massive amount of problems. Now we see all of these foreclosures and banks in trouble. It is an unbelievable mess. At its root is a substantial amount of greed and a massive amount of mortgage debt. In some cases mortgages were made to people who couldn't pay them, with teaser rates of 2 percent which, when reset, would be 10 and 12 percent, and prepayment penalties so that someone couldn't get out of this mess. It is unbelievable. That is the home mortgage subprime scandal. A lot of folks got rich. The guy who ran Countrywide Mortgage left with \$200 million. The company collapsed, a substantial amount of people were injured and hurt, but he left with a couple hundred million dollars. He was given the Horatio Alger award. He won businessman of the year, a big deal. He steered

his company right into the ditch as well.

This isn't about subprime mortgages. It is about another form of indebtedness, credit card debt. Let me talk for a moment about where we find ourselves with credit cards. It is interesting. In 2008, there were 4.2 billion credit card solicitations sent to consumers. Think of that, 4.2 billion credit card solicitations sent to consumers. We are told it was a bad year—the economy was collapsing—but apparently not in the credit card industry. The average credit card debt per household that has a balance is \$10,000. That is the average credit card debt of households that have a credit card balance. Total amount of credit made available by issuers in 2007 was about \$5 trillion.

This legislation will start to help to curb some of the unfair credit card practices. Let me be quick to say that I use credit cards. I am sure all of my colleagues do. There is a very significant value to credit cards. I am not suggesting there is not. I am saying, when you wallpaper the entire country with credit cards, including especially targeting kids who have no jobs, and then saying, as they did in the subprime mortgage, if you have bad credit, come to us, we will give you a credit card, there is something wrong with that. Yet that is what has been happening. Now we are seeing credit card companies who have had customers for 5, 10, 20 years, who have never been late with a payment, jack up their interest rates from 7 percent to 27 percent. Credit card holders are completely astounded by the penalties and interest rate increases, despite the fact that they have never had a late payment. Those are some of the abuses that have existed. This legislation will begin to deal with those abuses.

Let me show a couple of charts. This is an advertisement for a platinum card. It says:

Even if your credit is less than perfect.

That is just a little offshoot of what they did in the subprime mortgage. Hey, if your credit ain't perfect, as they say, come to us. You got bad credit, slow credit, no credit, been bankrupt, come over here; let us give you a hand. That is what this credit card says.

Here is a debit card. This is one by the Bank of America. It makes a point but that I think is important. You can see the colors on this debit card. Obviously, this is aimed at kids. This is obviously a children's approach to Joe Camel for cigarettes. But we have a debit card that is about the same thing.

Let me show first this chart. This shows Bruce Guiliano, senior vice president for licensing for Sanrio, Inc., which owns the Hello Kitty brand. That is the next card I will show you. It says:

We think our target age group will be from 10 to 14, although it certainly could be younger.

Can you imagine grown men and women sitting around saying: What is our target group for credit cards. We think this is our target group for the new Hello Kitty Platinum Plus Visa credit card. Is this unbelievable? If somebody said to you in class at Harvard Business School: Here is a business proposition. What do you think it will be like if you run a company and you are putting credit cards out there and you are aiming credit cards at kids, 12-year-old kids.

This is, obviously, the Hello Kitty Platinum Plus card. I would love to know the person who thought this up, to ask: Are you nuts?

My son happened to get a credit card solicitation a long while ago. He is in college now. He got a solicitation from a credit card company saying: We have a preapproved credit card for you, and we want you to take a trip to Paris, France. So actually I came to the floor of the Senate and explained to this credit card company, my son is only 12 years old. He is not going to Paris. He is not going to take your credit card either.

But what are the credit card companies doing soliciting young kids to get a credit card?

This is not an accident. I just showed you: Our target audience is 10 to 14. So what do we do with the targets? We design a credit card, a Hello Kitty Platinum Plus, pink and white and yellow. Unbelievable.

Let me show you a credit card for people who don't have such great credit. They get a gold card. This is First Premier Bank. Here is what they do. You don't have such good credit? We will give you a credit card. Come on. The limit is going to be \$250. It is going to be gold. But here is the trick. In order to get this credit card that you can use for up to \$250, you have to pay a \$48 annual fee. You have to pay a \$29 account set-up fee, a \$95 program fee and \$7 a month for servicing. Does that sound like good business to you? Not to me. It sounds like the kind of thing I used to see in the movies. They wore strange suits with big thick stripes, and they carried violin cases. They loaned each other money.

I understand this. Michigan State University. I could use this for any university. A credit card company wanting to wallpaper the dorms and fraternity houses of virtually anyone who is going to college. Most of them don't have a job; some do. I understand the value of a credit card for a college student. What I don't understand is, the credit cards are given to a college student and, in many cases, the parents will cosign because if the student doesn't have a job, you have to have the parents' cosignature. Then all of a sudden the credit card limit is increased without the permission of the cosigner. That is the game.

Here are some notes from constituents of mine. This is a couple from Minot:

My wife and I both have credit scores greater than 800 and have never been late on

any of our payments. So Capital One just sent us a notice that our interest rate on our credit card will almost triple.

Never been late, always made payments on time. Their interest rate is going to triple.

Here is one from Fairmount:

I just wanted to let you know how upset I am with the credit card company (Citibank). They have decided to raise my interest rate to 27 percent. I have always paid my bill on time, have a good credit rating (820). Why would a company that has been bailed out by taxpayers because of bad practices then decide to stick it to us by raising interest rates so high.

He refers to the local mafia, but the fact is, I know there are no local mafia there.

From Williston:

Enough is enough. We have shored up these banks with our hard-earned tax dollars just to have them raise the interest rates on their credit cards to 28 percent and 26.3 percent for absolutely no reason. Something has to be done.

Let me reiterate that I think credit cards are valuable and useful. Most of us use credit cards. But what I think has happened is certain practices have evolved and developed that are pretty unseemly. A practice that says: We need to figure out how to go after kids. It reminds me of the tobacco debate. Because if you don't get a kid when they are a kid, you are not going to get them to smoke; right? Anybody know of somebody who has reached the age of 30 and they are sitting around their living room thinking to themselves, all right, I need to do something different, what haven't I yet done that I should begin doing, and decides the answer is to start smoking? Does anybody know anyone like that? The only way you get somebody to smoke is you find a kid and addict the kid to cigarettes. What about this, aiming a Visa card at 10 to 14-year-olds? It is unbelievable to me.

We bring a bill to the floor of the Senate that we think we will vote on tomorrow. We will have a cloture vote first. We will see if we can't put a stop to some of the practices that have allowed some of the same companies that have gotten substantial bailout funds to say to their customers, who have always paid their bills on time, never been late: We have a treat for you. We have a big, old surprise in your mailbox. You know that 7 percent or 9 percent interest rate you used to pay on your credit card balance? No more. Now it is going to be 27 or 28 percent.

That is not a business practice I think is justifiable. I think Senator DODD and Senator SHELBY from the Banking Committee have brought us legislation that is necessary and one that will be helpful in trying to put a stop to unfair business practices.

I know there are some who say this is none of government's business. I think it is. When consumers are injured, consumers individually and even in a significant group are no match for the size of the companies that have decided to engage in this and do this to the

American people. This legislation is very simple. It sets up the conditions under which we will try to protect consumers from arbitrary interest rates, fee and finance increases, and we will prohibit interest charges on paid-off balances from previous billing cycles, prohibit interest charges on debt that is paid on time. We will require payments to be applied first to the credit card balance with the highest interest rate. We will protect students and other young consumers from aggressive credit card solicitations. We will require greater disclosure of rates and terms and billings, details by credit card companies, and establish tougher penalties for companies that violate these laws.

This is not rocket science. It is very simple. When you engage in these practices and start injuring consumers, often without their knowledge, when you are doing something that is fundamentally unfair and doing it all across the country, the Banking Committee, led by Senators DODD and SHELBY, has a right and the Senate has a right to say: We will try to put a stop to it. There needs to be some semblance of fairness and equity for the American people. There are a whole lot of folks who go to work every day, work hard, try to do the best they can to care for their family and deal with their daily lives. They pay their bills. They have credit cards. They pay those credit card bills. They have made a deal with the credit card company over time about the conditions of that credit card bill, only to discover one day when they come home from work their mailbox contains a little message from the credit card company: Yes, you are a good customer. We have news for you. You are going to pay higher fees and triple the interest rates, and there is not a thing you can do about it.

Well, do you know what? The American people can do something about it through the actions of the Senate. I think that is going to happen—beginning tomorrow—and I think it will be good news for the American people.

Mr. President, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. BINGAMAN). Without objection, it is so ordered.

#### CREDIT CARD ACCOUNTABILITY, RESPONSIBILITY AND DISCLOSURE ACT

Ms. KLOBUCHAR. Mr. President, I am here to speak out in support of the Credit Card Accountability, Responsibility and Disclosure Act.

I am proud to be a cosponsor of this bipartisan legislation, which will help to end the abusive practices of the