

Then critics said that the Corporation for National Service was lacking in its financial management standard and quality controls. The Corporation responded by committing to work with its Inspector General and Corporation's auditors, Arthur Anderson LLP and Williams, Adley & Co. to correct its financial weaknesses. Ted Sheridan of the Financial Executive Institute also worked with the Corporation to deal with these problems.

A year later, the Corporation is on the track to be a model of responsible governmental structure. It has hired a full-time Chief Financial Officer and it is in the process of installing a new financial management system. By 1998, it expects to have regular fully auditable financial statements and strict business controls.

Two years ago, critics rallied behind the cry that AmeriCorps was a government program fraught with management and financial problems. But AmeriCorps and the Corporation for National Service responded, and today AmeriCorps is a program of which I believe we can all be proud, critics and supporters alike. Unless of course, fixing the program was never the real goal.

You see, despite its successes, we are still having the debate over funding. That leads me to believe that the motives behind the criticism was never constructive, intended to produce a model government program. Instead, the critics' real goal was simply to defund or at least cripple a program that has been a target of theirs for years, no matter how well it is working today.

If that is the case, and I can hardly see how it could be otherwise, I urge my colleagues to reject this unfortunate amendment and to support a government program that helps to leverage private funds to tackle the difficult problems that face our youth, our communities, and our nation, neighborhood by neighborhood, where real effort can make a real difference in real peoples' lives.

In closing, let me thank Mr. STOKES and Chairman LEWIS for their work on this bill. I take at face value his commitment to restore funding in conference and for this opportunity to clarify the constructive work by so many at AmeriCorps over the past several years.

#### AUDITABILITY

##### THE CORPORATION IS STRENGTHENING ITS MANAGEMENT CONTROL SYSTEMS

The Corporation is unique in that it is a new entity comprised of pre-existing federal agencies and commissions and their outdated systems. The Corporation is methodically strengthening its financial management systems to reach full auditability in compliance with the new requirements of the Corporation Control Act, with action completed or in the process of implementation on 97 out of 99 points raised by Arthur Andersen by May 1, 1997. Once that goal is reached, the Chief Financial Officer will move forward on auditing current financial statements.

##### THE CORPORATION IS STRENGTHENING ITS TRUST FUND SYSTEM

A subsequent report by Peat Marwick, LLP (KPMG) will guide our efforts to strengthen the Trust Fund systems. It pinpoints several weaknesses in the current system—and we've already taken significant steps to begin to address them.

##### THE TRUST FUND SYSTEM MIRRORS OUR DECENTRALIZED STRUCTURE

Local program directors are directly responsible for certifying Trust Fund eligibility within guidelines set by Congress. Our experience and the KPMG findings indicate

that this reliance on local control requires stepped-up federal oversight to ensure accurate Trust fund records.

##### THE CORPORATION HAS TAKEN SIGNIFICANT STEPS TO ADDRESS TRUST FUND ISSUES

The Corporation generally concurs with and is committed to a methodical resolution of the issues raised by the KPMG report. To strengthen our Trust Fund systems, the Corporation has already taken several major steps, such as: updating the certification process and incorporated an automatic system rejection process to ensure all documents have been properly approved before Trust Fund accounts are established; freezing grant renewals until accurate certification forms are filed with the Trust Fund; developing systems to improve transactions registers and maintain supporting data; bringing accounting records to a current period; implementing a number of major changes to our segregation of duties within the Trust Fund operation; developing and implementing a revised payment system and an automated interface of those payments to our existing ledger system.

##### IT'S NOT UNUSUAL, BUT THAT'S NO EXCUSE

Many federal agencies are struggling to meet the new financial management auditability standards. The Departments of Defense, GSA, IRS, even the U.S. Congress. The Corporation is making every effort to meet the new challenges—and has made significant progress.

(Mr. HOEKSTRA asked and was given permission to revise and extend his remarks.)

Mr. HOEKSTRA. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. TIAHRT].

The amendment was agreed to.

Mr. LEWIS of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GILCHREST) having assumed the chair, Mr. COMBEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

#### APPOINTMENT OF MEMBERS TO NATIONAL COMMISSION ON THE COST OF HIGHER EDUCATION

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 40003 of Public Law 105-18, the Chair announces the Speaker's appointment of the following members on the part of the House to the National Commission on the Cost of Higher Education: Mr. Martin Anderson, California; Mr. George Waldner, Pennsylvania; and Mr. Jonathan Brown, California.

There was no objection.

#### COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER pro tempore laid before the House the following communication from the Honorable James V. Hansen, chairman of the Committee on Standards of Official Conduct:

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,

Washington, DC, July 15, 1997.

Hon. NEWT GINGRICH,  
Speaker, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: I am writing pursuant to Rule L (50) of the Rules of the House, to supplement the original notification by Mr. Cole on June 3, 1997 that he had been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the Office of General Counsel, the Bipartisan Legal Advisory Group of the House of Representatives has determined that the subpoena to Mr. Cole is consistent in part and inconsistent in part with the rights and privileges of the House and has directed Mr. Cole to comply with the subpoena to the extent that it is consistent with the rights and privileges of the House.

Sincerely,

JAMES V. HANSEN,  
Chairman.

#### EXTENDING ORDER OF THE HOUSE OF MAY 7, 1997, THROUGH WEDNESDAY, JULY 30, 1997

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that the order of the House of May 7, 1997, as extended on June 24, 1997, be further extended through Wednesday, July 30, 1997.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the Virgin Islands [Ms. CHRISTIAN-GREEN] is recognized for 5 minutes.

[Ms. CHRISTIAN-GREEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

[Mr. SAXTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. DAVIS] is recognized for 5 minutes.

[Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

[Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. KUCINICH] is recognized for 5 minutes.

[Mr. KUCINICH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

[Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

[Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### S. 768—MEILI FAMILY RELIEF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BENTSEN] is recognized for 5 minutes.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of S. 768, legislation to provide permanent residency status for the Meili family. This legislation would provide relief for the family of a courageous hero who deserves our gratitude and admiration. Mr. Meili's actions in Switzerland not only endangered his personal safety, but also that of his family. We should offer protection to Mr. Meili and his family to ensure the truth is told regarding Holocaust-era Swiss bank practices.

In January, 1997, Michael Christopher Meili was on duty at a Swiss bank where he noticed that employees were shedding Holocaust-era documents. Meili reported the destruction of documents, which is a violation of Swiss law, and turned over some of these documents to members of the Jewish community in Zurich and to the Swiss police.

Subsequently, Mr. Meili was fired from his job and investigated for violating Swiss bank secrecy law. After receiving death threats, Mr. Meili and his family came to the United States in April on a temporary visitors visa. This visa will expire in the near future, and we must provide special relief for the Meili family to protect them. This legislation would provide permanent residency status for the Meili family, as they are not eligible for either a political asylum or work-based visa exemption. I am pleased that we are considering this critical

legislation in an expedited manner. We must ensure that the Meili family and other whistleblowers are encouraged to tell the truth.

As a member of the House Banking Committee, I participated in two hearings on the disposition of Jewish assets in Swiss Banks. We heard testimony on the courage and determination of Mr. Meili to protect these documents. Without these documents, it may be difficult for Jewish families and their heirs to determine the outcome of assets they deposited in Swiss accounts. It is imperative that the world learn the truth, heirs be compensated and we put an end to this final secret of the tragedy of the Holocaust.

I urge my colleagues to support this legislation and to protect the Meili family so the truth can be known.

#### A CLARIFICATION ON THE TIAHRT AMENDMENT TO H.R. 2158

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 5 minutes.

Mr. HOEKSTRA. Mr. Speaker, the debate that we just concluded was about the Corporation for National Service. It was about the Tiahrt amendment. As the chairman for the oversight subcommittee, I just want to share with my colleagues some of the information that the oversight subcommittee has uncovered over the last 2 to 3 years in dealing with the Corporation for National Service. I visited a Corporation for National Service site yesterday. I met with some AmeriCorps volunteers. I have no doubt that they are doing good work, they are doing good work in this project.

But I think it is time to also take a look at this agency. I have no doubt that in the future, if AmeriCorps survives in 10 or 15 years, we would say that without the Corporation for National Service, we would not have volunteerism in America, just like we say we would not have arts in America without the National Endowment for the Arts.

But we have to recognize that we do have volunteerism in America. It is thriving. Volunteers in America are active in all of our communities, making heroic efforts to improve the quality of life in their local communities.

Now let us take a look at the Corporation for National Service. This was an organization that I voted for in 1993, believing that it could do well, that it could make an impact, and reading the document and reading what the President said about this program, believing what the authors of that bill suggested, that the Corporation for National Service would become the model for Federal Government agencies, that it would model its performance after the private sector.

When I assumed as chairman of the oversight subcommittee, we found some very troubling things. Remember, this is an organization that the AmeriCorps portion spends about \$400 million per year. What did we find? In

October of 1995 Arthur Andersen, a major accounting firm, reported that the corporation's financial reports were unauditable; listen, unauditable, meaning that they had 99 management control and accounting weaknesses, 33 of which they determined to be material, the worst classification for a weakness. What does that mean? It means that the Corporation for National Service could not tell us where the money was going that we were sending it, and what they were spending it for.

A follow-up report issued in December of last year noted that the corporation had not corrected 71 of the 99 identified management control and accounting problems, this despite congressional hearings and assurances from Mr. Wofford and the corporation that these problems were being fixed.

Now we find in a report that was issued yesterday, so we have moved from October of 1995 to July of 1997, and where are we? Arthur Andersen in their update states that the corporation has again to fix 33 of the 99 material weaknesses. They also have an additional 9 other accounting or managerial weaknesses.

The bottom line, what does it mean? It means that the Corporation for National Service, the agency that was going to be modeled after the private sector, spending \$400 million to \$600 million of taxpayer dollars, cannot produce auditable results for 1994. They cannot produce them for 1995. They cannot produce them for 1996. Now it appears they will not be able to produce them for 1997, and still with major accounting weaknesses, as I predicted earlier, they probably will not be able to produce auditable books for 1998. That is unacceptable.

Mr. Speaker, a second problem is as we have AmeriCorps volunteers, we are trying to match up the education awards with individual volunteers; a brand new program, a brand new agency, and what happens? A report released by Peat Marwick 4 months ago noted that the corporation has failed to keep adequate management controls and records relating to the trust fund, the National Service Trust Funds. What does this mean? It means that the Corporation for National Service does not have an accounting system in place that will enable it to match up young people who have worked in the corporation, who have worked in AmeriCorps, with their stipend. We are now putting student scholarships at risk.

There are other troubling activities within the corporation. Mr. Huang has worked at the corporation, or the activities of his fund-raising have reached into the Corporation for National Service.

There are other questions about five executives for the Corporation for National Service that were kept on despite the fact that their jobs had been eliminated.