

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. PEÑA 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 Peña."

At the top of the Friday front page just six days later, was this Denver Post headline: "Peña 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: Peña 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 Peña 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 Peña said he didn't even know Alvarado had the contract. Aviation Director George Doughty said it was Peña's ultimate decision. Peña 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? Peña's world was alive with Alvarados—enjoying his support before the city council, contributing to his '87 campaign and his post-mayoral investment firm (Linda Alvarado became a director of that firm in 1993). He didn't know?

It's been three years since Peña 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

of morning business not to extend beyond the hour of 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The Senator from Alabama is recognized to speak for up to 30 minutes.

JUVENILE VIOLENCE

Mr. SESSIONS. Mr. President, I have been asked to chair the subcommittee of the Judiciary Committee on juvenile violence. It is an issue and a problem that I have dealt with for many years. I have been a Federal and State prosecutor for 17 years. I know juvenile judges, I know sheriffs, I know police chiefs, I know juvenile probation officers and those who work with them. I have been involved in organizations that have dealt with youth crime for many, many years. I think it is a rare opportunity to have the possibility of contributing to an issue as important as this one.

I am particularly pleased that we have a bipartisan interest in real reform of juvenile justice in America. Not long ago, the Republican conference of this body listed juvenile violence as one of its top 10 priorities. The President has made it so in his remarks and in his recent address to the Nation. Just a few weeks ago, the majority leader, TRENT LOTT, met with the President, and they agreed to work to pass a good and effective juvenile reform bill. Senator LOTT had the occasion to talk with me about that, and his instructions to me were: "JEFF, we want the best crime bill that we can get, something that will effectively reduce juvenile violence in America."

Mr. President, let me discuss with you what our problems are. Understanding the situation we are in is important. The incidence of adult crime in America, since the early 1980's, has essentially been flat. During that time, we have doubled, tripled, and in some areas of the country, quadrupled the prison capacity for adult offenders in America. Many States have quadrupled their capacity. We have effectively targeted these repeat and dangerous offenders. Those offenders are not now out on the street, committing additional crimes, and we have, at great cost and at great pain, and I regret to say great loss of productivity, incarcerated people who needed to be incarcerated. But we have maintained more safety on our streets than would have been the case.

During this same period of time we have observed that juvenile violence has increased rapidly. We have not dealt with that in any effective way. Since 1982, violent crime committed by juveniles in America has doubled. Murder rates have increased 128 percent since 1982. This violent crime rate has been projected by the Department of Justice to double again by the year 2010. Indeed, by the year 2000 we will have 500,000 more crime-prone males, age 14 to 17. Many experts predict that these numbers alone will drive the juvenile violence rate even higher.

I think we must systematically and deliberately confront this problem, find real solutions to it, and deal with what I consider to be the real problem, which is a juvenile justice system that is simply not working. Those who have seen it, who have worked in it, who have been a part of it, know that. We care about it. We want to improve it. But we have to be honest: It is simply not working.

Let me tell you what is happening in America today. Recently, in Montgomery, AL, a night watchman was killed. I had one of my staff check to see about the three juveniles who had been arrested for that offense. One had 8 prior arrests, another had 8 prior arrests, and the third had 15 prior arrests. That is the kind of thing that is happening all over America. We do not effectively deal with juvenile violence and serious juvenile crime. We act as if it is the same kind of crime that existed 30 or 40 years ago when juvenile crime primarily involved vandalism or petty theft.

Can we do anything about it? Can we, as a nation, effectively deal with these instances of ever increasing violence by young offenders, and make the system work better? As somebody who has been in it, I believe sincerely that we can. It strikes me that we have a system which is so badly constituted that we have great opportunities to make it more productive and work better.

Mr. President, let me give you an outline of some of the proposals that will be in our bill and I think will be supported by the Department of Justice and the President. Senator JOSEPH BIDEN, the ranking Democratic member on our subcommittee, and others should be in general agreement with the proposals I am going to make. I certainly hope they will be.

First, we do have to make the Federal system work better. It is as a practical matter impossible at this time to effectively prosecute a juvenile offense in Federal court. The prosecutor must certify that the offender cannot be prosecuted in State court. Then the prosecutor must certify the offender as an adult. Then the offender has a right, at that point, to appeal the certification, to the U.S. Circuit Court of Appeals, which delays the trial as much as a year while the public waits on the results of that appeal. That is not necessary.

We believe that our bill, with the support of the President, and the Department of Justice, can eliminate those problems and allow the Federal prosecutors to effectively be engaged in prosecuting appropriate violent juvenile cases. But we have to be honest with ourselves: 99.9 percent of juvenile crime cases—99.99 percent—are being tried in State court. Overwhelmingly, those cases ought to continue to be in State court. We do not need to have the Federal bureaucracy, here in Washington, DC, taking over the prosecution of juvenile crime in the States.

What we need to do in this Nation, and what this Senate needs to do, and

what our Federal Government needs to do, is develop ways to assist the juvenile systems throughout America to be more productive in prosecuting cases within their own counties, cities and localities. This is the most important thing. First, we need to fix the Federal system, but we do not need to ever think for one moment that that is going to be a serious detriment to the overall growth and threat of violence in our young offenders.

How do we improve the States' systems? We have to deal with it systematically, addressing the day-to-day things that are happening there. I would like to share with you some proposals that will be included in our bill, and share with you some of the problems that we face. First, let me tell you what is happening today all over this country, when young offenders are arrested.

Let us take this example. A young offender in a stolen car is arrested at 2 a.m. by a local deputy sheriff, caught flat-footed. What typically happens is, if there is not a juvenile facility nearby—and normally there are only a few approved juvenile facilities within the State—that offender cannot be kept overnight in a separate part of a local or city jail. Those offenders cannot be kept at the local jail because Federal mandates say they cannot be housed in any institution in which adults are housed. They cannot even be in an institution that shares the same dining facility. So they either have to be released that night, or they have to be taken to a juvenile facility that may be in a distant locality and may be at full capacity. So, routinely what happens is that young offender, caught flat-footed in a stolen automobile, is released that night to his parents. He is back on the street that night.

It is not just bad for him, that he receives a horrible message, but it is also bad for his younger brothers, perhaps, or his running buddies, his would-be criminal associates, because they know Billy got caught. They know the police caught him in a stolen car. They see him back on the street that very night or the next morning. They see him laughing about it. They do not respect the system, and that procedure undermines the moral authority of the police and the legal system in America. It encourages crime and it does not deter crime, and we have to deal with that fundamental problem. We can do so, and I have some ideas I would like to share with you.

As a matter of fact, as I traveled the State of Alabama as attorney general, talking to local police, that is the single most frustrating situation for local police officers throughout Alabama, and I think the Nation, in juvenile crime, because these officers say to me over and over, "Jeff, they are laughing at us. They don't think we can do anything to them, and we can't." This creates crime by sending a clear message to all involved that these young offenders are getting away with their crimes.