

Whereas, by the terms of the settlement, Missouri would receive approximately 6.7 billion dollars by 2025, yet faces an estimated potential loss of 3.9 billion dollars of this amount to the federal government;

Whereas, Missouri rightfully should determine the best use of the settlement proceeds achieved through state effort, using state resources and motivated by state concerns: Now, therefore, be it

Resolved, by the members of the Missouri Senate and the Ninetieth General Assembly, the House of Representatives concurring therein, That the President of the United States and the members of Missouri's Congressional delegation recognize the effort and resources expended by Missouri to promote and protect its interests throughout the litigation and negotiation of claims against the tobacco industry; and be it further

Resolved, That the General Assembly of the State of Missouri requests that the President of the United States and the members of Missouri's Congressional delegation protect the proceeds negotiated by Missouri in settlement of its claims by refusing to divert, seize or recoup any portion of the settlement proceeds for federal purposes; and be it further

Resolved, That the Secretary of the Senate be instructed to provide properly inscribed copies of this resolution to William Jefferson Clinton, President of the United States, to each member of Missouri's Congressional delegation, the Secretary of the United States Senate and the Clerk of the United States House of Representatives.

POM-184. A concurrent resolution adopted by the General Assembly of the State of Missouri relative to tobacco settlement funds; to the Committee on Finance.

RESOLUTION

Whereas, on November 23, 1998, a historic accord was reached between 46 states, U.S. territories, commonwealths and the District of Columbia and tobacco industry representatives that called for the distribution of tobacco settlement funds to states over the next twenty-five years; and

Whereas, these funds result from the effort put forth by state attorneys general in which states solely assumed enormous risks and displayed determination to initiate a settlement that will lead to reduced youth smoking and reduced access to tobacco products; and

Whereas, in the fall of 1997, states were notified by the U.S. Department of Health and Human Services of its intention to "recoup" the federal match from funds states received through suits brought against tobacco manufacturers; and if such recoupment takes place, the states will lose one-half or more of the tobacco settlement funds; and

Whereas, the federal government played no role in the suits brought against tobacco manufacturers or the subsequent settlement agreement and the November 23rd accord makes no mention of Medicaid or federal recoupment; and

Whereas, the U.S. Department of Health and Human Services has suspended recoupment activities; and

Whereas, we the members of the Ninetieth General Assembly believe that the suspension on the federal government's recoupment of tobacco settlement funds should be converted into an outright prohibition against the federal government recouping any of the tobacco settlement money; and

Whereas, we the members of the Ninetieth General Assembly believe that if the federal government recoups any funds received through suits brought against tobacco manufacturers, such recoupment should be immediately returned to the state; and

Whereas, to prevent the seizure of state tobacco settlement funds when they become available to the states in 2000, an amendment to the Medical statute must be enacted to exempt tobacco settlement funds from recoupment: Now, therefore, be it

Resolved, That the members of the Missouri House of Representatives of the Ninetieth General Assembly, First Regular Session, the Senate concurring therein, hereby go on record in support of state retention of all state tobacco settlement funds; and be it further

Resolved, That the members of the Missouri House of Representatives of the Ninetieth General Assembly, First Regular Session, the Senate concurring therein, hereby urge the federal government, in the event recoupment occurs, to return upon receipt any tobacco settlement funds recouped from the state; and be it further

Resolved, That the members of the Missouri House of Representatives of the Ninetieth General Assembly, First Regular Session, the Senate concurring therein, hereby urge Congress to enact an amendment to the Medicaid statute that would exempt tobacco settlement funds from recoupment; and be it further

Resolved, That the Chief Clerk of the Missouri House of Representatives be instructed to prepare properly inscribed copies of this resolution for the President of the United States, the entire Missouri Congressional delegation, the Secretary of the United States Senate and the Clerk of the United States House of Representatives.

POM-185. A petition from the Georgia State Properties Commission relative to the Georgia-South Carolina boundary; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment:

S. 880. A bill to amend the Clean Air Act to remove flammable fuels from the list of substances with respect to which reporting and other activities are required under the risk management plan program (Rept. No. 106-70).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 698. A bill to review the suitability and feasibility of recovering costs of high altitude rescues at Denali National Park and Preserve in the state of Alaska, and for other purposes (Rept. No. 106-71).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments:

S. 748. A bill to improve Native hiring and contracting by the Federal Government within the State of Alaska, and for other purposes (Rept. No. 106-72).

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. CLELAND, for Mr. WARNER, for the Committee on Armed Services:

The following named officer for appointment as the Chief of Staff, United States Army, and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., sections 601 and 3033:

To be general

Gen. Eric K. Shinseki, 0000.

By Mr. ROBERTS, for Mr. WARNER, for the Committee on Armed Services:

The following named officer for appointment as Commandant of the Marine Corps, and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., sections 601 and 5043:

To be general

Lt. Gen. James L. Jones, Jr., 0000.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Ms. COLLINS (for herself, Mr. CLELAND, and Mr. GREGG):

S. 1189. A bill to allow Federal securities enforcement actions to be predicated on State securities enforcement actions, to prevent migration of rogue securities brokers between and among financial services industries, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. REED:

S. 1190. A bill to apply the Consumer Product Safety Act to firearms and ammunition; to the Committee on Commerce, Science, and Transportation.

By Mr. DORGAN (for himself, Mr. WELLSTONE, Ms. SNOWE, and Mr. JOHNSON):

S. 1191. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for facilitating the importation into the United States of certain drugs that have been approved by the Food and Drug Administration, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. FEINSTEIN (for herself, Mr. REID, Mrs. BOXER, and Mr. BRYAN):

S. 1192. A bill to designate national forest land managed by the Forest Service in the Lake Tahoe Basin as the "Lake Tahoe National Scenic Forest and Recreation Area", and to promote environmental restoration around the Lake Tahoe Basin; to the Committee on Energy and Natural Resources.

By Mr. LAUTENBERG:

S. 1193. A bill to improve the safety of animals transported on aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. NICKLES, Mr. COVERDELL, Mr. HELMS, Mr. ASHCROFT, Mr. GRAMM, Mr. KYL, Mr. HAGEL, Mr. INHOFE, Mr. FRIST, Mr. BOND, Mr. THURMOND, Mrs. HUTCHISON, Mr. McCONNELL, Mr. ENZI, Mr. WARNER, Mr. DEWINE, Mr. SESSIONS, Mr. COCHRAN, Mr. BUNNING, Mr. ROBERTS, Mr. GORTON, Mr. SHELBY, Mr. THOMAS, and Mr. MACK):

S. 1194. A bill to prohibit discrimination in contracting on federally funded projects on the basis of certain labor policies of potential contractors; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER:

S. 1195. A bill to give customers notice and choice about how their financial institutions share or sell their personally identifiable sensitive financial information, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COVERDELL:

S. 1196. A bill to improve the quality, timeliness, and credibility of forensic science

services for criminal justice purposes; to the Committee on the Judiciary.

By Mr. ROTH (for himself, Mr. SMITH of New Hampshire, Mr. LEVIN, and Mr. SCHUMER):

S. 1197. A bill to prohibit the importation of products made with dog or cat fur, to prohibit the sale, manufacture, offer for sale, transportation, and distribution of products made with dog or cat fur in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SHELBY (for himself, Mr. BOND, and Mr. LOTT):

S. 1198. A bill to amend chapter 8 of title 5, United States Code, to provide for a report by the General Accounting Office to Congress on agency regulatory actions, and for other purposes; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SMITH of New Hampshire (for himself, Mr. MCCONNELL, Mrs. FEINSTEIN, and Mr. HELMS):

S. Res. 113. A resolution to amend the Standing Rules of the Senate to require that the Pledge of Allegiance to the Flag of the United States be recited at the commencement of the daily session of the Senate; to the Committee on Rules and Administration.

By Mr. HATCH (for himself, Mrs. BOXER, Mr. BOND, Mr. SCHUMER, Mr. DEWINE, Mr. BIDEN, Mr. WARNER, Mr. DASCHLE, Mr. CRAPO, Mr. HOLLINGS, Mr. BENNETT, Mr. KERRY, Mr. SMITH of Oregon, Mr. LAUTENBERG, Mr. FITZGERALD, Mrs. MURRAY, Ms. SNOWE, Mr. ROBB, Mr. MACK, Mr. TORRICELLI, Mr. ABRAHAM, Mr. WELLSTONE, Mr. BURNS, Mr. CLELAND, Mrs. HUTCHISON, Mr. DODD, Mr. SPECTER, Mr. DURBIN, Mr. CAMPBELL, Mr. EDWARDS, Mr. FRIST, Mr. INOUYE, Mr. GORTON, Mrs. FEINSTEIN, Mr. LOTT, Mr. REID, Mr. ASHCROFT, Mr. GRAHAM, Mr. COCHRAN, Mr. JOHNSON, Mr. JEFFORDS, Mr. KERREY, Mr. CHAFEE, Ms. MIKULSKI, Mr. GRASSLEY, Mr. BAYH, Mr. CRAIG, Mr. REED, Mr. NICKLES, and Mr. KOHL):

S. Res. 114. A resolution designating June 22, 1999, as "National Pediatric AIDS Awareness Day"; to the Committee on the Judiciary.

By Mr. ABRAHAM:

S. Con. Res. 38. A concurrent resolution expressing the sense of Congress that the Bureau of the Census should include in the 2000 decennial census all citizens of the United States residing abroad; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS (for herself, Mr. CLELAND, and Mr. GREGG):

S. 1189. A bill to allow Federal securities enforcement actions to be predicated on State securities enforcement actions, to prevent migration of rogue securities brokers between and among financial services industries, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

MICROCAP FRAUD PREVENTION ACT OF 1999

Ms. COLLINS. Mr. President, today I am introducing the Microcap Fraud

Prevention Act of 1999 which will equip Federal law enforcement authorities with new tools to prosecute the fight against microcap securities fraud that costs unwary investors an estimated \$6 billion annually.

While cold-calling families at dinner-time and high-pressure sales remain a favorite tactic of microcap con artists, the Internet is providing a new and inviting frontier for the commission of microcap frauds. I find it particularly disturbing that despite the best efforts of regulatory authorities, microcap scam artists often commit repeat offenses. Similarly, under current law, persons barred from other segments of the financial industry, such as banking or insurance, can easily bring their deceptive practices into our securities markets.

I am very pleased to have the cosponsorship of two of my distinguished colleagues in introducing this important legislation. Senator CLELAND and Senator GREGG are united with me in a commitment to ensure that security regulators have the necessary authority to crack down on securities fraud. Senator CLELAND has a longstanding interest in protecting investors from securities scams. Senator GREGG also has been a leader in this arena in his position as the chairman of the subcommittee with jurisdiction over the SEC's budgets.

In drafting this legislation, I was also pleased to have the invaluable assistance of the Securities and Exchange Commission and the North American Securities Administrators Association which represents State securities regulators. In fact, Richard H. Walker, the SEC's Director of Enforcement, and Peter C. Hildreth, the President of NASAA, have submitted letters endorsing my legislation. I ask unanimous consent that these letters be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Ms. COLLINS. Mr. President, the Collins-Cleland-Gregg legislation is the product of hearings of the Permanent Subcommittee on Investigations which I chair. We first started looking at this issue in 1997 and held our first hearing in September of that year. Those hearings revealed that microcap securities fraud is pervasive, so much so that regulators estimated that it cost investors \$6 billion in losses annually, according to an article in the Wall Street Journal.

The damage from these microcap scams, however, is not confined to investor losses. They also damage the reputation of legitimate small companies and limit their ability to raise capital through the securities markets. Ironically, the strong performance of the securities markets over the past several years has provided an ideal breeding ground for these microcap scams as more and more Americans invest in stocks. In fact, according to the SEC, in 1980, only 1 in 18 individual

Americans participated in the securities markets. Today, 1 in 3 Americans participate in the securities markets. There has been a tremendous growth in more and more American households investing in equities.

In a typical microcap fraud, an unscrupulous broker, often acting through an intermediary, purchases large blocks of shares in a small company with dubious business and financial prospects. The company stock may be nearly worthless, but the brokers repeatedly cold call customers, promise glowing returns and drive up the stock through high-pressure sales tactics. Eventually, after the manipulators sell their shares at a profit, the artificially inflated price plummets, leaving thousands of unsophisticated investors with worthless stock and heavy losses. The manipulators then count their ill-gotten gains and move on to their next target.

The subcommittee's investigation demonstrated that the rapid growth of the Internet has also provided a new frontier for the commission of microcap securities frauds. At hearings held by the subcommittee last March, expert witnesses testified that while the Internet provides many, many benefits to online investors, such as lower trading costs and a wealth of investment information, the medium is inviting to con men as well.

Specifically, the Internet makes it easier and cheaper for microcap scam artists to contact potential victims and to perpetrate pump-and-dump schemes or related securities frauds. Rather than having to cold call potential victims one at a time, con men with home computers and Internet access can reach millions of potential investors with the click of a mouse. At a very low cost, these cybercrooks can deceive many more victims using professionally designed web sites, online financial newsletters or bulk e-mail. SEC officials testified that the agency now receives hundreds of e-mail complaints per day, an estimated 70 percent of which involve potential Internet securities frauds.

For example, a constituent of mine from Ellsworth, ME, who appeared at the subcommittee's hearings, testified that he lost more than \$20,000 in a sophisticated Internet securities scam. My constituent has an engineering degree, and he has been investing for nearly 10 years. This demonstrates the potential risk that Internet fraud poses to even experienced investors. Although the SEC has brought charges against the alleged perpetrators of this scam, it is, unfortunately, very unlikely that my constituent will ever be able to recover his losses.

Whether they use cold calls, the Internet, or both, microcap scam artists rarely strike only once. The subcommittee's investigations have found that when regulators close down one microcap scam, often after very lengthy proceedings, it is very common