The TRAC Act simply stated, seeks the best value for the federal dollar. Its main objectives are instituting public-private competition and tracking costs. My colleagues and I agree that improvements to service contracting should be made, and this bill is one way to achieve that.

Our bill directs federal agency certification before entering into new contracts. These standards include establishing agency-wide reporting systems to report contracting efforts; requiring public-private competition; and reviewing contractor work and recompeting that work if appropriate.

Why the new standards? So we can better ascertain what the federal government is spending for government services. David Walker, Comptroller General for the General Accounting Office, stated recently in a June 1st Washington Post piece by David Broder that ''. . . it is not clear that the remaining federal employees are capable of monitoring the cost and quality of the outsourced activities.'' The ability to monitor costs is essential if the Congress is to exercise proper oversight of federal funds spent to carry out services by either contractors or federal employees.

We also want to ensure an even playing field between contractors and federal employees when competing for work. The public-private competitions required by the TRAC Act will determine how best the federal government can save money on its many critical services. Our bill doesn't guarantee any pre-determined outcome in a public-private competition, but rather ensures that these competitions occur.

Contractors have historically played a role in delivering government services and will continue to do so. Therefore, our bill will allow the federal agencies to see who completes work most effectively, regardless of who delivers the service.

EXPIRATION OF CHAPTER 12 OF THE BANKRUPTCY CODE

Mr. GRASSLEY. Mr. President, at this time, I am seeking recognition in order to call to my colleagues' attention something that will happen today. At midnight today, bankruptcy protections for family farmers will disappear. Chapter 12 of the Bankruptcy Code will expire. And America's family farming operation will be exposed to foreclosure and possible forced auctions. I think this will be a clear failure on the part of the Congress and the President to do their duty. How did we get here? After all, the Senate and House have passed bankruptcy reform bills which made chapter 12 permanent. But a small minority of Senators who oppose bankruptcy reform have apparently decided that they would rather see America's family farmers with no last-ditch safety net than let the House and Senate even convene a conference committee in order to get the two bills reconciled.

But even with these stall tactics, the House and Senate have met informally to resolve the bankruptcy bills. The informal agreement, of course, will make chapter 12 permanent. If we were allowed to pass this bill, America's family farmers would never again face the prospect of having no bankruptcy protections.

That's right Mr. President, we have the power right now to give family farmers last-ditch protection against foreclosures and forced sales. But, some of our more liberal friends won't let that happen. Some members of this body have just decided to play political chess games with bankruptcy reform, and they're willing to use family farmers as pawns to be expended in pursuit of some larger goal.

Mr. President, with the sluggishness we have in the farm sector, I think it's just plain wrong to play games with family farmers. Senator LOTT and the Republican leadership have tried to move the bankruptcy bill repeatedly and have been stymied every step of the way. We need to help our family farmers, not play games with their futures. The opponents of bankruptcy reform have resorted to tactics which are morally bankrupt.

Mr. President, back in the mid-1980's when Iowa was in the midst of another devastating farm crisis, I wrote chapter 12 to make sure that family farmers would receive a fair shake when dealing with the banks and the Federal Government. At that time, I didn't know if chapter 12 was going to work or not, so it was only enacted on a temporary basis.

Chapter 12 has been an unmitigated success. As a result of chapter 12, many farmers who once faced total financial ruin are still farming and contributing to America's economy. As was the case in the dark days of the mid-1980s, some are again predicting that farming operations should be consolidated and we should turn to corporate farming to supply our food and agricultural products. As with the 1980s, some people seem to think that family farms are inefficient relics which should be allowed to go out of business. This would mean the end of an important part of our Nation's heritage. And it would put many hard working American families—those who farm and those whose jobs depend on a healthy agricultural sector—out of work.

But the family farm didn't disappear in the 1980s, and I believe that chapter 12 is a major reason for the survival of many financially troubled family farms. An Iowa State University study prepared by professor Neil Harl found that 85 percent of the Iowa farmers who used chapter 12 were able to continue farming. That's real jobs for all sorts of Iowans in agriculture and in industries which depend on agriculture. According to the same study, 63 percent of the farmers who used chapter 12 found it helpful in getting them back on their feet. In short, I think it's fair to say that chapter 12 worked in the mid 1980s, and it should be made permanent so that family farmers in trouble today can get breathing room and a fresh start if that's what they need to make it. It's shameful that some Senators who know better are continuing to play politics and deny a fresh start to family farmers.

But the bankruptcy reform bill doesn't just make chapter 12 permanent. Instead, the bill makes improvements to chapter 12 so it will be more accessible and helpful for farmers. First, the definition of family farmers is widened so that more farmers can qualify for chapter 12 bankruptcy protections. Second, and perhaps most importantly, the House and Senate agreed to reduce the priority of capital gains tax liabilities for farm assets sold as a part of a chapter 12 reorganization plan. This will have the beneficial effect of allowing cash-strapped farmers to sell livestock, grain and other farm assets to generate cash flow when liquidity is essential to maintaining a farming operation. Together, these reforms will make chapter 12 even more effective in protecting America's family farms during this difficult period.

Mr. President, it's imperative that we keep chapter 12 alive. Before we had chapter 12, banks held a veto over reorganization plans. They wouldn't negotiate with farmers, and the farmer would be forced to auction off the farm, even if the farm had been in the family for generations. Now, because of chapter 12, the banks are willing to come to terms. We must pass the bankruptcy reform bill to make sure that America's family farms have a fighting chance to reorganize their financial affairs.

DISCLOSURE BY SECTION 527 ORGANIZATIONS

Mr. MURKOWSKI. Mr. President, throughout the rancorous campaign finance reform debate I have consistently argued that the only reasonable solution rests in increased disclosure and the active enforcement of current laws. For this reason, I voted in support of H.R. 4762—legislation requiring 527 organizations to disclose their political activities and supporters.

I want to unequivocally state, however, that I believe this bill is only the first step towards complete disclosure and accountability in campaign financing. Financing laws must be fair, and they must be universal. Disclosure requirements must be extended to other tax-free organizations as well, namely Internal Revenue Code 501(c) groups that have actively participated in local and national elections.

What is the benefit of disclosure laws if they do not apply to all? I suggest that unbalanced and incomplete restrictions will only enhance efforts to manipulate campaign financing laws. 527 groups will, essentially, be encouraged to pack up shop and re-emerge as 501(c) groups. Quickly, they will be able to continue their efforts to influence elections with limited disclosure requirements. Clearly, more reform must be done.

For this reason, I urge this body to move forward and extend disclosure requirements to 501(c) organizations. I doubt anyone would suggest that 501(c)(4) civic groups have not made efforts to express a political message. Earlier this year, one 501(c)(5) labor union openly professed its intention to spend tens of millions of dollars to influence House elections. And our nation's media has been awash with efforts by 501(c)(6) corporations to convey their political messages. Yet, our financing system fails to require these groups to provide expenditure and donor information. This is wrong.

Recently, I cast a vote that would seem to be in conflict with my support of H.R. 4762. I voted against similar language in an amendment to the Department of Defense Authorization bill. It is important to note, however, that my vote was on a constitutional point of order. If the Section 527 amendment was included in the Defense bill, it would have converted the bill into a revenue measure originating in the Senate and caused the defense authorization bill to be blue-slipped—essentially killed—when it is sent to the House. This is not a matter of mere semantics, it is mandated by the Constitution. Regardless of the legislation's merits, as a senator I must uphold the Constitution. My vote reflects this duty.

But with H.R. 4762, the procedural obstructions were removed. I support active disclosure in our campaign financing system. By making contributions public, the American people can decide for themselves who they want to support. When issue ads from supposedly public interest groups are aired, the American public can now find out who is funding these ads. For example, we may now be able to learn whether ads for so-called environmental causes are actually being financed by members of OPEC who want to maintain their monopoly and prevent us from exploring for oil in the U.S.

I hope that we will soon extend the disclosure requirements to other organizations so that the American public can truly know who finances the public relations campaigns that influence our modern elections.

Mr. President, a word of caution is in order. I am sensitive to the legitimate needs of private citizens to criticize government without fear of retaliation. We must never forget that we are the nation of Alexander Hamilton, John Jay, and James Madison. The very men who wrote under the anonymous name of ''Publius,'' shaping our government through the Federalist Papers. Would such thought and expression have survived if the cloak of anonymity was removed? Political speech is free speech, and private citizens who have not sought preferred tax status should not be limited in their rights of expression, their freedom to associate, or their right to privacy.

Somewhere, the proper balance between complete disclosure and the right to free expression resides. I believe H.R. 4762 is a good first step in striking this balance. Clearly, those who expect tax preferred status to advocate their political message are within the grasp of disclosure laws. I reiterate my support for full disclosure, and once again call for quick action upon more comprehensive disclosure legislation.

NOMINATION OF DONALD MANCUSO

Mr. GRASSLEY. Mr. President, I would like to take a moment today to tell my colleagues why I oppose the nomination of Mr. Donald Mancuso.

I would like my colleagues to understand why I have placed a hold on Mr. Mancuso's nomination.

Mr. Mancuso has been nominated to be the Inspector General (IG) at the Department of Defense (DOD).

Mr. President, over the years, I have made a habit out of watching the watchdogs. I have tried hard to make sure the IG's do their job. I want the IG's to be a bunch of junk yard dogs when it comes to overseeing their respective departments.

In doing this oversight work, I have learned one important lesson: the IG's must be beyond reproach.

Now that Mr. Mancuso's nomination has been submitted to the Senate for confirmation, this is the question we—in this body—must wrestle with:

Does Mr. Mancuso meet that standard?

Is Mr. Mancuso beyond reproach?

That's the question now before the Senate.

I have to ask myself that question because of something that happened a year ago.

In June 1999, a former agent from the Defense Criminal Investigative Service or DCIS walked into my office. He made a number of very serious allegations of misconduct about senior DCIS officials, including Mr. Mancuso.

And he had a huge bag full of documents to back them up.

Mr. Mancuso was the Director of DCIS from 1988 until 1997 when he became the Deputy DOD IG.

Mr. Mancuso was the Pentagon's top cop. He was in charge of the DOD IG's criminal investigative bureau. He was a senior federal law enforcement officer.

The allegations were very serious.

Many concerned Mr. Mancuso's internal affairs unit.

It was alleged that an agent assigned to the internal affairs unit had a history of falsifying reports to damage the reputation of fellow agents.

It was further alleged that Mr. Mancuso was aware of this problem yet failed to take appropriate corrective action.

It was alleged that Mr. Mancuso personally approved a series actions to protect a senior deputy who was under investigation for passport fraud.

It was alleged that Mr. Mancuso and the senior deputy were close personal friends.

The senior deputy happened to be in charge of the internal affairs unit. While head of that unit, this person is suspected of committing about 12 overt acts of fraud. He was eventually convicted and sent to jail.

Mr. Mancuso allegedly took extraordinary measures to shield this individual from the full weight of the law and departmental regulations.

It was also alleged that Mr. Mancuso engaged in retaliation and other prohibited personnel practices.

The Majority Staff on my Judiciary Subcommittee on Administrative Oversight and the Courts conducted a very careful examination of the allegations.

The results of this investigation were presented in a Majority Staff Report issued in October 1999.

Mr. President, I came to the floor on November 2, 1999 to discuss the contents of the report.

All supporting documentation—and there was a mountain of material—was simultaneously placed on the Judiciary Committee's web site.

The Majority Staff Report substantiated some of the allegations involving DCIS officials, including Mr. Mancuso.

I also sent a copy of the report and supporting documentation to Secretary of Defense Cohen.

Mr. President, I also wanted to be certain that my friend, Senator WARNER, Chairman of the Armed Services Committee, and my friend Senator THOMPSON, Chairman of the Governmental Affairs Committee, were up to speed on this issue.

I have continued sending them material as the case has developed.

I want them to be informed about what I am doing and where I am headed with Mr. Mancuso's nomination.

Mr. President, after the staff report was issued, my office was inundated with phone calls from current and former DCIS agents with new allegations of misconduct by Mr. Mancuso and others.

The Majority Staff has investigated some of the new allegations, as well. Some have been substantiated and some have not.

The new findings have been summarized in letter reports.

Those have been shared with Secretary Cohen.

And I met with the new Deputy Secretary, Mr. Rudy de Leon, on May 24th to express my concerns about the allegations involving Mr. Mancuso.

Mr. President, I am not alone in raising questions about Mr. Mancuso's conduct.

At least six other government entities believe that the allegations are serious enough to warrant further investigation. These include:

Chief of the Criminal Division, Eastern District of Virginia

Integrity Committee of the President's Council on Integrity and Efficiency

Public Integrity Section at the Justice Department

Inspector General, Department of the Treasury