

other non-audit related services that could result in a potential conflict of interest.

Using the rule that former SEC Chairman Arthur Levitt proposed in 2000 as a model, my legislation removes the actual conflict of interest as well as the perception of a conflict of interest that results when an auditing firm provides a client with consulting and auditing services.

The scandal resulting from the relationship between Enron and Arthur Andersen is only one example of the overdue need for this reform. In November 2001, Enron disclosed that it had overstated profits by more than \$580 million since 1997. That means that Enron lied to investors about its earnings and the Arthur Andersen auditors failed to expose that lie in 1997, 1998, 1999, and 2000. During each of those years, Arthur Andersen worked as both auditor and consultant to Enron.

In 2000 alone, Enron paid Arthur Andersen \$27 million for its audit work and paid the firm \$28 million in management consulting fees. In auditing Enron, Arthur Andersen clearly made a series of errors. It is reasonable to assume that Arthur Andersen's dependence on the consulting fees that it charged Enron may have affected the quality of their audit work.

But the problem is not limited to Arthur Andersen. In a study analyzing the effects of accounting firms' consulting business on the independence of their auditors, Stanford professor Karen Nelson and her colleagues provide evidence showing that the provision of non-audit services impairs an auditor's independence.

The study used new data that has become available just since February 2001, when the SEC began requiring corporations to disclose all audit and non-audit fees paid by a corporation to its auditor. The study looked at the ratio of non-audit versus audit revenues paid by a corporation to its auditing firm. It found that over half of the firms paid more for consulting services than audit services, and that over 95 percent of firms purchase at least some non-audit services from their auditor.

The study also found that corporations with the least independent auditors, those who paid the most in consulting fees versus audit fees, are more likely to just meet or beat earnings benchmarks, such as analysts' expectations and prior year earnings expectations, and to report large discretionary earnings. This suggests more "earnings management", manipulation of debt and earnings data, went on among companies in the sample that paid the highest proportion of management consulting fees to their auditors. We must remove this conflict of interest from the accounting business.

Public confidence in the integrity of an accounting firm's audit will depend now more than ever before on whether auditors are independent from the companies that they audit. Auditors clearly cannot be independent from the

companies they audit if they rely on those companies for lucrative consulting fees.

I look forward to working with my colleagues in the Senate to pass this bill quickly as a part of our larger legislative response to the Enron scandal.

By Mrs. CARNAHAN (for herself and Mr. DAYTON):

S. 1897. A bill to require disclosure of the sale of securities by an affiliate of the issuer of the securities to be made available to the Commission and to the public in electronic form, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mrs. CARNAHAN. Mr. President, America has the most vibrant and dynamic economy in the world. The foundation of our economy is our capital markets, which are robust and resilient. But the success of these markets depends on the free flow of accurate, reliable information. Our markets are the envy of the world, because of the confidence investors have in the private and public institutions that produce, verify, and analyze this information.

The collapse of Enron, represents a dramatic failure of these institutions. Even sophisticated investors did not detect that Enron was in poor financial condition. We need to create greater transparency and an early warning system so investors can better protect themselves.

One warning sign that a company may be in trouble is when its executives are selling large amounts of company stock, as occurred at Enron. I have learned, however, that information about insider sales of stock is not easily accessible. Under our current system, a company's officers are required to file a disclosure form with the Securities and Exchange Commission, (SEC), any time they sell securities issued by their company. Tens of thousands of these forms are filed annually. However, the vast majority of these forms are filed on paper, rather than electronically.

The paper disclosure forms are not easily accessible to the public. People can see the disclosure forms at the Public Reference Room of the SEC in Washington, DC. Alternatively, people can request in writing that the SEC mail copies of the disclosure forms to them. Requests submitted in writing may take weeks to process. This is unacceptable in the electronic age.

So today I am introducing legislation that requires information about insider sales of publicly traded companies to be filed electronically on the day of the sale. The Fully Informed Investor Act mandates that disclosure forms required by the SEC be filed electronically whenever officers, directors or other affiliates of the company sell shares of their company. The forms will be due at the SEC by the end of the day of the transaction. The SEC would then make the forms available to the public over the Internet. In addition,

any company that maintains an internal company website would be required to post these disclosure forms on that website on the day of the transaction.

This single reform would dramatically level the playing field between insiders and ordinary investors. Never again would company executives be able to quietly dump large amounts of company stock without facing immediate scrutiny about the financial health of their company.

As I said, our capital markets are the envy of the world. To continue to be worthy of that envy, we need to constantly improve and modernize our system. The Fully Informed Investor Act is an important aspect of that modernization.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 201—COMMENDING THE UNIVERSITY OF MIAMI HURRICANES FOOTBALL TEAM FOR WINNING THE 2001 NCAA DIVISION I-A COLLEGIATE FOOTBALL NATIONAL CHAMPIONSHIP

Mr. NELSON of Florida (for himself and Mr. GRAHAM) submitted the following resolution; which was considered and agreed to:

S. Res. 201

Whereas in 2001 the University of Miami captured its fifth national title;

Whereas the University of Miami is a member of the Big East Conference of the National Collegiate Athletic Association Division I-A and the Conference's champion for the second consecutive year;

Whereas the University of Miami's 23-1 record since the year 2000 is the best in Division I-A football;

Whereas in 2001 Head Coach Larry Coker won the Bear Bryant Award naming him college football Coach of the Year in his first season;

Whereas after leading the Hurricanes to the national championship in 2001, Larry Coker became the first rookie coach to win a national championship since 1948;

Whereas Edward Reed and Bryant McKinnie were elected Consensus All-Americans;

Whereas offensive tackle Bryant McKinnie won the Outland Trophy, awarded to the Nation's best collegiate interior lineman;

Whereas offensive tackle Joaquin Gonzalez was named the 2001 Vincent dePaul Draddy Award winner as the Nation's top college football scholar-athlete, becoming the Big East Conference's first winner of the "Academic Heisman";

Whereas quarterback Ken Dorsey won the Maxwell Award, presented each year to the College Player of the Year;

Whereas defensive back Edward Reed was named to numerous All-American teams, leading the Nation with 9 interceptions;

Whereas each player, coach, trainer, and manager dedicated their time and effort to ensuring the Hurricanes reached the pinnacle of team achievement;

Whereas the students, alumni, faculty, and supporters of the University of Miami are to be congratulated for their commitment and pride in the Hurricanes' football program; and

Whereas their Division I-A national championships in 1983, 1987, 1989, 1991, and 2001, make the University of Miami program among the most successful in college football history: Now, therefore, be it

Resolved, that the Senate—

(1) commends the University of Miami Hurricanes football team for winning the 2001 NCAA Division I-A collegiate football national championship;

(2) recognizes the achievements of all the players, coaches, and support staff who were instrumental in helping the University of Miami win the 2001 NCAA Division I-A collegiate football national championship and invites them to the United States Capitol Building to be honored;

(3) requests that the President recognize the accomplishments and achievements of the 2001 University of Miami football team and invite them to Washington, D.C. for a White House ceremony for national championship teams; and

(4) directs the Secretary of the Senate to make available enrolled copies of this resolution to the University of Miami for appropriate display and to transmit an enrolled copy of the resolution to each coach and member of the 2001 NCAA Division I-A collegiate football national championship team.

SENATE CONCURRENT RESOLUTION 94—EXPRESSING THE SENSE OF CONGRESS THAT PUBLIC AWARENESS AND EDUCATION ABOUT THE IMPORTANCE OF HEALTH CARE COVERAGE IS OF THE UTMOST PRIORITY AND THAT A NATIONAL IMPORTANCE OF HEALTH CARE COVERAGE MONTH SHOULD BE ESTABLISHED TO PROMOTE THAT AWARENESS AND EDUCATION

Mr. WYDEN (for himself and Ms. COLLINS) submitted the following concurrent resolution; to the Committee on the Judiciary.

S. CON. RES. 94

Whereas census estimates indicate that some 42,000,000 people in the United States are without health insurance coverage, many of whom are among the most vulnerable and can be financially devastated by serious illness, disease, or accident;

Whereas studies have shown that people with health insurance are healthier than those who are uninsured and receive care through emergency rooms or safety net health care services, because the insured are entitled to, and receive, more preventive care, follow-up care, and care for chronic conditions such as diabetes and high blood pressure;

Whereas over 17,300,000 of the uninsured are employed but are not offered health insurance through their employers;

Whereas such employers are small business owners who are often unaware of the benefits of offering health insurance, including that such benefits are tax deductible, reduce employee turnover, and reduce employee sick days;

Whereas over 16,000,000 people in the United States, more than 1/3 of the uninsured, are in families where at least 1 member of the family has been offered employer based health care coverage but has declined coverage;

Whereas many individuals are eligible for public assistance programs such as the State Children's Health Insurance Program, known as SCHIP, and the medicaid program, but are not currently enrolled due primarily to lack

of outreach, education, and accessible enrollment processes;

Whereas studies have shown that many individuals and small businesses are unaware of the various options they have for obtaining affordable health care coverage;

Whereas surveys have shown that many individuals who cite expense as the reason for not purchasing insurance find insurance affordable once they are informed of the true cost of various options; and

Whereas education about health care coverage helps uninsured individuals and employers understand the critical value of health insurance as a preventive measure and the ways to keep their health insurance premiums manageable once they have health care coverage: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) a National Importance of Health Care Coverage Month be established to—

(A) promote a multifaceted educational effort about the importance of health care coverage;

(B) increase awareness of the many available health care coverage options; and

(C) inform those eligible for public insurance programs on ways to access those programs; and

(2) the President issue a proclamation calling on the Federal Government, States, localities, citizens, and businesses of the United States to conduct appropriate programs, fairs, ceremonies, and activities to promote this educational effort.

Mr. WYDEN. Mr. President, today I am submitting a resolution calling for the creation of "National Importance of Health Care Coverage Month" to call attention to the need for information about health care coverage options. I am joined in this effort by Senator COLLINS of Maine.

A person's physical and mental well-being are fundamental to his or her ability to learn, to work, and to contribute to our society. For healthy communities, the health of our citizens is vital. It is a fact that people who have health insurance have better health; forty-four million Americans, however, do not enjoy the protection of health care coverage. This resolution calls for the promotion of a multifaceted educational effort about the importance of health care coverage; to increase awareness of the many health care coverage options already available; and to inform those who are eligible for public insurance programs on ways to access those programs.

This resolution alone will not provide insurance to the millions of Americans who need it. However, it will draw much-needed attention to an issue that touches every citizen in every state.

Ms. COLLINS. Mr. President, I am pleased to join with my colleague from Oregon in submitting this concurrent resolution expressing the sense of Congress that health care coverage is of the utmost importance and that a National Importance of Health Care Coverage Month should be established to promote awareness and education about the importance of health insurance coverage.

One of my top priorities in the Senate has been to expand access to affordable health care for all Americans.

There still are far too many Americans without health insurance. An estimated 42 million Americans do not have health care coverage, including more than 150,000 people in Maine.

The simple fact is that people with health insurance are healthier than those who are uninsured. People without health insurance are less likely to seek care when they need it, and to forgo services such as periodic check-ups and preventive services. As a consequence, they are more likely to be hospitalized or require costly medical attention for conditions that could be preventable. Not only does this put the health of these individuals at greater risk, but it also puts additional pressures on our hospitals and emergency rooms, which already are financially challenged. Compared with people who have health coverage, uninsured adults are four times and uninsured children five times more likely to use the emergency room. The costs of care for these individuals are often absorbed by providers and passed on to the covered population through increased fees and insurance premiums.

This is one of the reasons that the cost of health insurance has soared in recent years. In Maine, employers, and in particular small employers, have faced premium increases of 15 to 30 percent or more. This is a remarkable contrast to the mid-to-late 1990s, when health insurance premiums rose less than 3 percent, if at all. Clearly we must do more to make health insurance more available and affordable.

Since most Americans get their health insurance through the workplace, it is a common assumption that people without health insurance are unemployed. The fact is, however, that most uninsured Americans are members of families with at least one full-time worker. As many as 82 percent of Americans who do not have health insurance are in a family with a worker.

In Maine, small business is not just a segment of the economy, it is the economy. I am therefore particularly concerned that uninsured, working Americans are most often employees of small businesses. Some 60 percent of uninsured workers are employed by small firms. Small businesses want to provide health insurance for their employees, but the cost is often just too high. This is why I have introduced legislation with my colleague from Louisiana, Senator LANDRIEU, to help small employers cope with rising costs. Our bill, the Access to Affordable Health Care Act, will provide new tax credits for small businesses to help make health insurance more affordable. It will encourage those small businesses that do not currently offer health insurance to do and will help businesses that do offer insurance to continue coverage even in the face of rising costs.

While costs are clearly an problem, knowledge should not be an additional barrier to health insurance access. Public education and awareness initiatives are also critical to the success of