

separated banks from investment banking and commercial firms. Through a lot of hard work, dogged tenacity and a little compromise, Senator GRAMM shepherded the bill through the committee and out of the Senate. The result was that in 1999 financial services deregulation was passed and signed into law, which may have been the biggest legislative achievement of the 106th Congress.

Senator GRAMM has the ability to do something that not many people can do. He can take very complex issues and break them down into their most basic elements, so that just about anybody can understand them. The intricacies of the budget process, the solvency of Social Security, the implications of national health care, are all brought down to kitchen table common sense. This is an amazing gift, and a formidable one for anyone who stands on the other side of an issue from him. There is simply no rhetoric to hide behind in a debate with Senator GRAMM. He is not afraid to fight or to lose, and so he rarely loses.

Senator GRAMM's absence from the U.S. Senate will truly leave a substantial void. I will certainly miss his expertise on the Senate Banking Committee and the broad policy experience that he brings to every debate. I would like to extend my sincere best wishes to Senator GRAMM on his retirement from the Senate and wish him luck in his new career.

ONE YEAR ANNIVERSARY OF ENRON SCANDAL

Mr. LEVIN. Mr. President, one year ago today, the public first began to learn of the accounting frauds that led to the collapse of Enron Corporation. For the first time, investors learned of special purpose entities used to make Enron's financial condition look better than it was and of partnerships run by Enron's chief financial officer. One year ago today, the press first reported the \$1 billion loss in Enron's shareholder equity and a \$700 million loss in earnings. Less than 2 months later, Enron's reputation as a well-run company and a good investment morphed into that of a bankrupt operation with billions in unpaid debt.

As the scandal unfolded, Enron's employees lost their jobs and their pensions. Its stockholders lost their shirts. Its accounting firm lost its credibility and its ability to operate as an auditor. About the only ones to walk away from Enron's fall intact were a number of executives who pocketed millions of dollars in compensation despite the company's collapse. Other executives are now beginning to pay the piper for their misdeeds.

Of course, Enron was only the beginning. Within 6 months, the press was inundated with reports of multi-billion-dollar accounting frauds at other major publicly traded corporations in the United States. We learned that Worldcom had misreported \$3 billion in

expenses, a figure which has since doubled to more than \$7 billion. We learned that Adelphia had made billions of dollars in unsecured loans to corporate insiders, especially members of the Rigas family. We learned that Tyco had made not only unreported loans to corporate executives and directors, but its CEO appears to have cheated on his taxes. The list of companies associated with accounting frauds or other corporate misconduct kept increasing, shaking not only Wall Street, but also Main Street where more than half of U.S. households are directly or indirectly invested in the stock market.

The result is that, today, investor confidence in U.S. financial statements and the U.S. accounting profession lies in tatters. The stock market itself has compiled its worst record in years.

The breadth and depth of this corporate misconduct galvanized Congress. Over the past year, we conducted detailed investigations into what happened. We subpoenaed documents. We held hearings. We issued reports. And during the summer, we enacted into law the Sarbanes-Oxley Act, a corporate reform law which calls for a host of changes in the way U.S. business operates, including overhauling accounting oversight, restoring auditor integrity, and strengthening investor protections. This legislation was a strong response to the corporate scandals, but the work is far from over.

Enron's 1-year anniversary is a good time to recall what still needs to be done.

First, the SEC needs to implement the Sarbanes-Oxley Act. The most important next step here is naming the members of the new Public Company Accounting Oversight Board. This Board is charged with strengthening auditor ethics, disciplinary proceedings, and conflict of interest prohibitions to restore confidence in the U.S. accounting profession. This work will require a frank acknowledgment of past problems, a fresh examination of what works and what has failed, and a willingness to break from past practice to increase investor protections.

Some impressive candidates have stepped forward to express their willingness to serve on this board. One terrific candidate is John H. Biggs who is about to retire from his post as chairman and CEO of TIAA-CREF. Mr. Biggs has the stature, expertise, and backbone needed to lead this board. He is the right man at the right moment to restore integrity to U.S. financial statements and the U.S. accounting profession, and the SEC ought to immediately accept his offer to serve the public as a member of this important new board.

The SEC also has a host of important regulations to issue over the coming year—a task that will require continued congressional oversight. One of the most important is the requirement that companies disclose all material off-the-books transactions, arrange-

ments, obligations and relationships. While the Financial Accounting Standards Board, or FASB, has issued a proposal to strengthen accounting rules regarding special purpose entities, that addresses only a portion of the problem and the SEC can and must do much more to strengthen disclosure.

The SEC must also set up the policies and procedures necessary to identify and administratively bar those persons who are substantially unfit to serve as officers or directors of public companies. Too many officers and directors have turned their eyes away from misconduct, failed to ask tough questions, or allowed fraudulent or questionable activities to continue unchecked at the companies that are now the subject of legal proceedings. We need stronger leadership in corporate America and to eliminate those unwilling or unable to act as fiduciaries for investors.

These are just two of the many pressing regulatory issues facing the SEC in implementing the Sarbanes-Oxley reform law. But it will take more than Sarbanes-Oxley to end corporate misconduct and restore investor confidence in U.S. markets. The list of unfinished business includes at least the following items.

First, Congress needs to recognize that the SEC is outgunned and outspent and give the SEC the resources it needs to police financial statements and detect and punish corporate misdeeds.

Second, we need to give the SEC new civil enforcement authority to impose administrative fines on company officers, directors, auditors, lawyers, and others who violate federal securities laws. Right now, the only wrongdoers the SEC can fine in administrative proceedings are broker-dealers and investment advisers. My amendment to broaden its authority to fine other violators of the securities laws never received a vote during consideration of the Sarbanes-Oxley Act. I intend to keep trying until that vote takes place.

Another festering problem involves stock options. Stock option abuses have not stopped, and dishonest accounting of stock option expenses continues. That means that Congress still needs to set a deadline for FASB to take appropriate action on the issue of expensing stock options. Over 120 publicly traded companies have announced their intention—on a voluntary basis—to begin expensing options. That is a huge and welcome change from past practice. But many other public companies have indicated they have no intention of expensing options until required to do so. It is time to level the playing field in favor of honest accounting of stock options.

Still another continuing problem involves so-called corporate inversions, when U.S. companies pretend to move their headquarters to an offshore tax haven in order to avoid paying their fair share of taxes. These offshore shenanigans are not only unpatriotic, they are unfair to the taxpayers who have to

pick up the slack and pay for this country's military, security, law enforcement, and other needs, many of which benefit the companies avoiding their fair share of taxes. I plan to spend a significant amount of time over the next year looking at issues related to offshore tax evasion and corporate non-payment of tax.

A few years ago, this country had billions of dollars in surplus and a growing economy. But that is over. One contributing cause is the corporate scandals over the last year. Those arguing for tepid reforms or the status quo will not provide the leadership needed to end the corporate misconduct and investor fears now plaguing U.S. markets. We need not only to complete the implementation of the Sarbanes-Oxley law, but also to move ahead with additional measures needed to restore investor faith in U.S. business. The one-year anniversary of the Enron scandal is a good time to renew the call for that unfinished business.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred September 15, 2001 in San Francisco, CA. Two men, Robin Clarke and Sean Fernandes, were brutally attacked by a man who thought Fernandes was an Arab. The assailant passed the two men on the street, called Fernandes a "dirty Arab", then punched both men and stabbed Clarke in the chest. The assailant escaped in a blue Mustang coupe after the attack.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

BURMA

Mr. LEAHY. Mr. President, I want to add my voice to the growing chorus in Washington condemning the State Peace and Development Council's brutal and inhumane treatment of the people of Burma—including refugees and internally displaced persons.

We recently heard from the senior Senator from Kentucky, Senator MCCONNELL, who has been a consistent, strong voice for human rights and democracy in Burma. He spoke of the many abuses committed by the SPDC and his concerns that the SPDC's proclaimed interest for reconciliation with the legitimate leaders of Burma—

led by Daw Aung San Suu Kyi and the National League for Democracy—ring hollow.

I am in complete agreement with his assessment.

It is past time for the SPDC and its armed forces to respect the human rights and dignity of the people of Burma and to punish those in the military who are responsible for killing and injuring innocent men, women and children.

I was appalled to learn this week that Burma Army Column Commander Khin Mau Kyi, who is reportedly responsible for burning churches and villages and torturing pastors and Buddhist monks, said, "I don't respect any religion, my religion is the trigger of my gun."

Mr. President, Khin Mau Kyi's so-called "religion" is, according to information I have received, responsible for the murder of the following people at Htee Law Belh on April 28, 2002: Saw Hto Paw, Naw Hsar Kay, Naw Kri Htoo, Naw Ble Po, 5 years old, Daw Htwe Ye, Naw Mu Tha, Mu Pwat Pwat, 7 year old, Saw Ka Pru Moo, Naw Plah, 5 years old, Naw Dah Baw 2 years old, and Naw Pi Lay and her infant.

The State Department should publicly condemn the SPDC for these atrocities, and call on the SPDC to investigate these crimes and bring those responsible to justice. Unfortunately, there is no reason to believe the SPDC will act against its own officers.

We and the international community should do our utmost to provide assistance to the SPDC's victims. In the days to come, I will confer with my friend from Kentucky on appropriate actions we can take to help refugees and internally displaced persons in Burma, including engagement with Thailand to ensure that Burmese fleeing SPDC abuses can enter into Thailand, that international journalists are given free and unfettered access to refugee camps and ethnic minorities, and the UN High Commissioner For Refugees is allowed to provide a safe haven for those fleeing SPDC oppression.

THE TUSKEGEE AIRMEN 17TH ANNUAL SALUTE

Mr. LEVIN. Mr. President, this weekend hundreds of individuals from throughout the Nation will be gathering in my hometown of Detroit, MI, to honor, remember, and pay tribute to one of the most illustrious and feared U.S. Army units in the Second World War, the Tuskegee Airmen. These individuals will be gathering for the Tuskegee Airmen National Historical Museum's 17th Annual Salute Reception and Dinner.

The story of the Tuskegee Airmen is unique in many ways but starts with similarities to the story of so many members of the "Greatest Generation" who fought in the Second World War. It is a story of young men who answered the call of duty and fought to defend our Nation with courage, pride, and

zeal against the forces of tyranny and oppression. These men have earned our Nation's enduring respect for their actions and deeds in defense of the United States.

But of course their story is also unique. In addition to being one of the most successful air combat units in the Second World War, the Tuskegee Airmen, whose pilots trained at the Tuskegee Army Air Field in Tuskegee, AL, overcame a pattern of rigid segregation and prejudice that questioned their ability to serve as Airmen and prevented them from training and working with their white counterparts.

Led by the recently departed General Benjamin O. Davis, the first black general in the Air Force, the Tuskegee Airmen flew over 15,500 sorties, completed over 1,500 combat missions, and downed over 260 enemy aircraft. They even sunk an enemy destroyer. Amazingly, no bomber escorted by the Tuskegee Airmen was ever downed. But 66 Tuskegee pilots flying escort did make the supreme sacrifice for our Nation and another 32 were taken as prisoners of war. Collectively, these actions won the Tuskegee Airmen 3 Presidential Citations, 95 distinguished Flying Crosses, 8 Purple Hearts and 14 Bronze Stars.

Upon returning home from war, these Airmen found a society still deeply segregated. The Tuskegee Airmen themselves remained segregated from the larger military and were unable to provide their skills and aptitude to other units that were in dire need of qualified airmen. It was not until President Truman issued Executive Order 9981 that segregation was ended in the United States Armed Services. This Executive Order played a vital role in the subsequent integration of our Nation. The valor and dedication of the Tuskegee Airmen played a vital role in changing our Nation's attitude toward integration and racial diversity.

In recent years, our Nation has rightly sought to honor those who served in the Second World War and to recognize the challenges faced and overcome by the Tuskegee Airmen. I know my Senate colleagues join me in commending the Tuskegee Airmen for their willingness, to paraphrase Philip Handleman, an aviation historian from Oakland County, MI, to fight two wars at the same time: one war against the forces of totalitarianism abroad and the other against the forces of intolerance and prejudice at home, and to have the determination to win them both.

THE ALL-CALIFORNIA WORLD SERIES

Mrs. FEINSTEIN. Mr. President, I rise today to commend and congratulate the two teams from California who will compete for the 2002 World Series Championship: the National League Champion San Francisco Giants, and the American League Champion Anaheim Angels.