

Let me give you an example. In November 2008, according to USA Today, the average American had \$10,678 in credit card debt.

Now let's take a family holding that amount of debt at this week's average interest rate of 10.78 percent. If that family consumer made only a 2 percent minimum payment on their bill each month, it would take them over 28 years and a total of \$19,144 to pay that card off. And that is assuming they didn't ever charge another penny to the card—no cash advances, no gas purchases, no trips to the mall.

In the end, the consumer would have paid \$8,466 in interest on slightly over \$10,000 in debt.

And 10.78 percent is a relatively low rate for many Americans. Interest rates around 20 percent are not uncommon, and penalty interest rates can reach as high as 32 percent.

Consumers need to know how these amounts add up.

Let me tell you one more troubling thing about minimum payments. In December, the Economist reported on a study done on these requirements.

In the study, a psychologist at a British university gave 413 people fake credit card bills. All of the bills said the person owed about \$650 total, but half of them listed a minimum payment of around \$8. The other half made no mention at all of a minimum payment.

What the study found was that when the minimum amount was listed, people were inclined to pay less of their total bill. In fact, among people who chose not to pay their full balance, people paid 43 percent less when they saw a minimum payment amount on their bill.

Behavioral economists describe this as a "nudge": By showing the minimum amount, the statement "nudged" the consumer to pay less than he or she would have otherwise.

Now obviously, this is good for the credit card company—the consumer ends up paying less each month but more in interest over time, and that's how the credit card companies make their profits.

But this is terrible for consumers, who can end up underwater, with huge balances owed, and not understand how they got there.

People need to know the effects of making minimum monthly payments, and this bill will finally require credit card companies to show them.

I believe the disclosure requirements in the bill will go a long way toward helping consumers make good financial decisions and helping them to avoid ending up in bankruptcy. So I want to commend my colleagues, Senator DODD and Senator SHELBY, for their hard work on the bill before us today. These warnings have been a long time in coming, and I will be very pleased to see them enacted into law.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. REID. Mr. President, I ask unanimous consent that no further amendments be in order, except a managers' amendment, which has been cleared by the managers and leaders, and that at 10 a.m. Tuesday, May 19, the Senate resume consideration of H.R. 627, and proceed to vote on the motion to invoke cloture on the Dodd-Shelby substitute amendment No. 1058; that if cloture is invoked on the substitute amendment, then the Senate proceed to consider any pending germane amendments; that upon disposition of those amendments, all postcloture time be yielded back; the substitute amendment, as amended, be agreed to, the bill, as amended, be read a third time, and the Senate then proceed to vote on passage of the bill; that the cloture motion with respect to H.R. 627 be withdrawn.

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

#### FRAUD ENFORCEMENT AND RECOVERY ACT OF 2009

Mr. REID. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House with respect to S. 386, the Fraud Enforcement and Recovery Act.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

*Resolved*, That the bill from the Senate (S. 386) entitled "An Act to improve enforcement of mortgage fraud, securities fraud, financial institution fraud, and other frauds related to federal assistance and relief programs, for the recovery of funds lost to these frauds, and for other purposes", do pass with amendments.

Mr. LEAHY. Mr. President, today, the Senate has passed the bipartisan Fraud Enforcement and Recovery Act of 2009, S.386. This bill will soon be sent to the President to be signed into law. The House passed this bill overwhelming just last week. This bill is a major step toward holding accountable those who have caused so much damage to our economy. It will also help protect our economic recovery efforts from the scourge of fraud.

Our bill will strengthen the Federal Government's capacity to investigate and prosecute the kinds of financial frauds that have so severely undermined our economy and hurt so many hard-working people in this country. These frauds have robbed people of their savings, their retirement accounts, their college funds for their children, and their equity and have cost too many people their homes. The bill will help provide the resources and legal tools needed to police and deter fraud and to protect taxpayer-funded

economic recovery efforts now being implemented.

I want to once again commend Senator GRASSLEY, our lead cosponsor, for his leadership at every stage in this process. He helped to write this legislation and to manage it on the Senate floor, where it ultimately passed 92 to 4. He also worked tirelessly to make important and difficult compromises with Senate and House leaders, which was crucial to crafting a consensus a bill that could pass both Houses. He has once again proven his dedication to protecting taxpayer funds by deterring, investigating, and prosecuting fraud.

I thank Majority Leader HOYER and the House leadership, as well as Chairman CONYERS, Ranking Member SMITH and Congressmen BERMAN and SCOTT on the House Judiciary Committee, for working with us to promptly pass this bill in the House with minimal changes and a number of helpful additions. The new ranking member of the Senate Judiciary Committee, Senator SESSIONS, was also very important and supportive in those negotiations.

I thank our many cosponsors for their steadfast support for this effort. Senators KAUFMAN and KLOBUCHAR have worked particularly hard to ensure that this important fraud enforcement bill becomes law, and I thank them for their efforts. Senator KAUFMAN has spoken and written about the need for fraud enforcement all year. We have been joined by a growing bipartisan group of cosponsors that now stands at 28. And I thank our majority leader and our underappreciated cloakroom and floor staff for all that they have done on this bill.

Mortgage fraud has reached near epidemic levels in this country. Reports of mortgage fraud are up 682 percent over the past 5 years, and more than 2800 percent in the past decade. And massive, new corporate frauds, like the \$65 billion Ponzi scheme perpetrated by Bernard Madoff, are being uncovered as the economy has turned worse, exposing many investors to massive losses. We can now finally take action to better protect the victims of these frauds. These victims include homeowners who have been fleeced by unscrupulous mortgage brokers who promise to help them, only to leave them unable to keep their homes and in even further debt than before. They include retirees who have lost their life savings in stock scams and Ponzi schemes, which have come to light as the markets have fallen and corporations have collapsed. They also include American taxpayers who have invested billions of dollars to restore our economy, and who expect us to protect that investment and make sure those funds are not exploited by fraud.

This legislation will immediately give Federal law enforcement agencies the tools and resources they need to combat fraud effectively. In the last 3 years, the number of criminal mortgage fraud investigations opened by the Federal Bureau of Investigation,

FBI, has more than doubled, and the FBI anticipates that number may double yet again. Despite this increase, the FBI currently has fewer than 250 special agents nationwide assigned to financial fraud cases, which is only a quarter of the number the Bureau had more than a decade ago at the time of the savings and loan crisis. At the current levels, the FBI cannot even begin to investigate the more than 5000 mortgage fraud allegations referred by the Treasury Department each month.

In the late 1980s and early 1990s, Congress responded to the collapse of the federally insured savings and loan industry by passing legislation similar to the bill we consider today, to hire prosecutors and agents. While the current financial crisis dwarfs in scale to the savings and loan collapse, we are poised to once again take decisive action.

At its core, the Fraud Enforcement and Recovery Act authorizes the resources necessary for the Justice Department, the FBI, and other investigative agencies to respond to this crisis. In total, the bill authorizes \$245 million a year over the next 2 years to hire more than 300 Federal agents, more than 200 prosecutors, and another 200 forensic analysts and support staff to rebuild our Nation's "white collar" fraud enforcement efforts. While the number of fraud cases is now skyrocketing, we need to remember that resources were shifted away from fraud investigations after 9/11. Today, the ranks of fraud investigators and prosecutors are drastically understocked, and thousands of fraud allegations are going unexamined each month. We need to restore our capacity to fight fraud in these hard economic times, and this bill will do that.

Fraud enforcement is an excellent investment for the American taxpayer. According to recent data provided by the Justice Department, the government recovers more than \$20 for every dollar spent on criminal fraud litigation. Strengthening criminal and civil fraud enforcement is a sound investment, and this legislation will not only pay for itself, but will bring in money for the Federal Government.

In addition, the Fraud Enforcement and Recovery Act makes a number of straightforward, important improvements to fraud and money laundering statutes to strengthen prosecutors' ability to combat this growing wave of fraud. It also strengthens one of the most potent civil tools we have for rooting out fraud in government—the False Claims Act. The Federal Government has recovered more than \$22 billion using the False Claims Act since it was modernized through the work of Senator GRASSLEY in 1986, but this bill will make the statute still more effective. In fact, the amendments the House made to the bill, after extensive input from Senator GRASSLEY and Congressman BERMAN, strengthen the False Claims Act further still.

The Fraud Enforcement and Recovery Act has broad bipartisan support,

as well as the strong backing of the Justice Department and the Obama administration. As explained in the Statement of Administration policy:

The Administration strongly supports enactment of S. 386. Its provisions would provide Federal investigators and prosecutors with significant new criminal and civil tools and resources that would assist in holding accountable those who have committed financial fraud.

Strengthening fraud enforcement is a key priority for President Obama. During the campaign, President Obama promised to "crack down on mortgage fraud professionals found guilty of fraud by increasing enforcement and creating new criminal penalties." And the President made good on this promise in his budget to Congress by calling for additional FBI agents "to investigate mortgage fraud and white collar crime," as well as hiring more Federal prosecutors and civil attorneys "to protect investors, the market, and the Federal Government's investment of resources in the financial crisis, and the American public." The initial Senate-passed recovery package included additional money for the FBI for this purpose, but it was cut during the negotiations that led to its passage. This bill, the bipartisan Fraud Enforcement and Recovery Act, is our chance to authorize the necessary additional resources to detect, fight and deter fraud that robs the American people and American taxpayers of their funds. Strong support from the President and the Justice Department has been integral to making progress on this important bill.

This is and has been bipartisan legislation. Our cosponsors and our supporters in both Houses of Congress come from across the political spectrum—Democrats, Republicans, and Independents. What we share is a commitment to fight fraud and the horrible costs it is imposing on hard-working Americans. I believe that our efforts are supported by most Americans. No one should want to see taxpayer money intended to fund economic recovery efforts diverted by fraud. No one should want to see those who engaged in mortgage fraud escape accountability. Law enforcement agencies desperately need the resources and tools in this legislation.

During these first months of the year, the Judiciary Committee has concentrated on what we can do legislatively to assist in the economic recovery. Already we have considered and reported this fraud enforcement bill, the patent reform bill, and worked to ensure that law enforcement assistance was included in the economic recovery legislation.

The recovery efforts are generating signs of economic progress. That is good. That is necessary. But that is not enough. We need to make sure that we are spending our public resources wisely and that they are not being dissipated by fraud. We need to ensure that those responsible for the down-

turn through fraudulent acts in financial markets and the housing market are held to account. That is why the Fraud Enforcement and Recovery Act is so needed.

The bill has also received the support of the Fraternal Order of Police, the Federal Law Enforcement Officers Association, the National Association of Assistant United States Attorneys, the Association of Certified Tax Examiners, and Taxpayers Against Fraud. It was strongly endorsed by an editorial in *The New York Times* on April 18, 2009.

I thank Senators for joining with us to take decisive action to protect American families and our economy from fraud.

Mr. REID. Mr. President, I ask unanimous consent that the Senate concur in the House amendment with the amendment which is at the desk; and that the motion to reconsider be laid upon the table; further, that the Senate then concur in the title amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 1128) was agreed to, as follows:

(Purpose: To modify the provision relating to the issuance of subpoenas)

On 31, line 13, after "the Commission" insert "; including an affirmative vote of at least one member appointed under subparagraph (C) or (D) of subsection (b)(1)".

The title was amended so as to read:

"An Act to improve enforcement of mortgage fraud, securities and commodities fraud, financial institution fraud, and other frauds related to Federal assistance and relief programs, for the recovery of funds lost to these frauds, and for other purposes."

#### WEAPONS ACQUISITION SYSTEM REFORM THROUGH ENHANCING TECHNICAL KNOWLEDGE AND OVERSIGHT ACT OF 2009

Mr. REID. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on S. 454.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

*Resolved*, That the House insist upon its amendment to the bill (S. 454) entitled "An Act to improve the organization and procedures of the Department of Defense for the acquisition of major weapon systems, and for other purposes.", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. REID. Mr. President, I ask unanimous consent that the Senate disagree to the House amendment, agree to the request for a conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees, and that the Senate Armed Services Committee be appointed as conferees.

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

The Presiding Officer appointed Mr. LEVIN, Mr. KENNEDY, Mr. BYRD, Mr.