

people of East Timor through arbitrary arrests, torture, disappearances, extra-judicial executions, and general political repression;

Whereas 8 United Nations General Assembly and 2 United Nations Security Council resolutions have reaffirmed the right of the people of East Timor to self-determination;

Whereas Bishop Carlos Filipe Ximenes Belo and Jose Ramos-Horta, who were awarded the 1996 Nobel Peace Prize for their courageous contribution to the East Timorese struggle, have called for a United Nations-sponsored referendum on self-determination of the East Timorese;

Whereas President Clinton in a letter dated December 27, 1996, expressed interest in the idea of a United Nations-sponsored referendum on self-determination in East Timor;

Whereas the United States cosponsored a 1997 United Nations Human Rights Commission Resolution calling for Indonesia to comply with the directives of existing United Nations resolutions regarding East Timor; and

Whereas present circumstances provide a unique opportunity for a resolution of the East Timor question: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should—

(1) encourage the new political leadership in Indonesia to institute genuine democratic and economic reforms, including the establishment of an independent judiciary, civilian control of the military, and the release of political prisoners;

(2) encourage the new political leadership in Indonesia to promote and protect the human rights and fundamental freedoms of all the people of Indonesia and East Timor; and

(3) work actively, through the United Nations and with United States allies, to carry out the directives of existing United Nations resolutions on East Timor and to support an internationally supervised referendum on self-determination.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

CHANGES TO S. RES. 209

Mr. GRAMS. Also, Mr. President, on behalf of the chairman of the Budget Committee, Senator DOMENICI, I ask unanimous consent to adjust the allocation to the Appropriations Committee made under S. Res. 209 with the changes that I now send to the desk.

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

The changes follow:

	Budget authority	Outlays
Current Allocation:		
Defense discretionary	271,570,000,000	266,635,000,000
Nondefense discretionary	255,450,000,000	289,547,000,000
Violent crime reduction fund	5,800,000,000	4,953,000,000
Highways		
Mass transit		
Mandatory	299,159,000,000	291,731,000,000
Total	831,979,000,000	852,866,000,000
Adjustments:		
Defense discretionary		
Nondefense discretionary	-859,000,000	-25,144,000,000
Violent crime reduction fund		
Highways		+21,885,000,000
Mass transit		+4,401,000,000
Mandatory		
Total	-859,000,000	+1,142,000,000
Revised Allocation:		
Defense discretionary	271,570,000,000	266,635,000,000
Nondefense discretionary	254,591,000,000	264,403,000,000
Violent crime reduction fund	5,800,000,000	4,953,000,000
Highways		21,885,000,000
Mass transit		4,401,000,000
Mandatory	299,159,000,000	291,731,000,000

	Budget authority	Outlays
Total	831,120,000,000	854,008,000,000

ORDERS FOR MONDAY, JULY 13, 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 12 noon on Monday, July 13. I further ask that when the Senate reconvenes on Monday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then begin a period of morning business until 2 p.m. with Senators permitted to speak for up to 5 minutes each.

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

Mr. GRAMS. I further ask unanimous consent that following morning business, the Senate begin debate on the motion to proceed to S. 2271, the property rights bill, until 5:45 p.m., with the time equally divided in the usual form.

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

PROGRAM

Mr. GRAMS. Mr. President, for the information of all Senators, when the Senate reconvenes on Monday at 12 noon, there will be a period of morning business until 2 p.m. Following morning business, the Senate will begin debate on the motion to proceed to the property rights bill. At 5:45 p.m., under a previous order, the Senate will proceed to a cloture vote on the motion to proceed to the property rights bill.

Following that vote, the Senate could consider any other legislative or executive items that may be cleared for action. For the remainder of next week, the Senate will attempt to complete action on the property rights bill and, hopefully, finish several appropriations bills.

As a reminder, on Wednesday, July 15, at 10 a.m., there will be a joint meeting of Congress to receive an address from the President of Romania.

ORDER FOR ADJOURNMENT

Mr. GRAMS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of the distinguished Senator from Delaware, Senator ROTH.

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

Mr. GRAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Kathryn Quinn of the Finance Committee be permitted to be on the Senate floor for the rest of this day.

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

IRS INTERNAL AUDITS

Mr. ROTH. Mr. President, yesterday's 96 to 2 vote to reform the Internal Revenue Service was a victory for the American people. I am grateful for the cooperation we received from our colleagues. I am grateful for the support that came from our constituents. And I very much appreciate the willing participation that came from individuals within the Internal Revenue Service itself.

From the beginning of our intensive investigation, and throughout our hearings, I made it clear that the IRS is filled with hard-working, honorable men and women.

We depend on these individuals, on their integrity and expertise to carry out a complex and often thankless task—yet a task that is fundamentally important to the welfare and future of America. Had it not been for those within the IRS who were concerned about the abuses they witnessed—had they not come forward to speak with us—there would have been no hearing. There would have been no reform effort—no change. And the abuses would have continued.

What our investigation focused on was the culture of the agency. It focused on an environment that had been allowed to establish itself because of rules that granted excessive license to those inclined to abuse power—an environment that lacked sufficient oversight. This was the culprit. And I am grateful that after an attempt early on in our investigation to circle the wagons concerning the Finance Committee's efforts, the IRS—under the fine leadership of Commissioner Charles Rossotti—determined to work with us, not against us.

Two reports issued today speak volumes about the spirit of cooperation Commissioner Rossotti demonstrated. They validate each of the concerns raised in our investigation. They are filled with examples that support those that we heard from the courageous witnesses who addressed our committee. They remove any question concerning the appropriateness or necessity of the extensive investigation we undertook. And they make it clear that our conclusions, and consequently our legislative outcome, were right on target.

I appreciate the honesty and candor that is contained in these two internal audits. Prepared by the agency's Chief Inspector's office at my request, they offer a thorough and objective analysis

of serious problems within the agency's culture. Among other things, these reports paint a vivid picture of how the IRS' Examination Division used performance measures and statistics, compelling auditors and examination personnel to inflate taxpayer liabilities. They show how the Collection Division abused seizure authority, in one case turning a taxpayer's life upside down for the grand sum of four dollars and seventeen cents!

The reports even documented the most troubling issue of how the Internal Revenue Service would often go after taxpayers who were most vulnerable—those suffering from medical problems or severe financial setbacks. According to the internal audits, "the seizure[s] demonstrated insensitivity to the taxpayer's current situation or [were] conducted to enhance statistical measures."

These reports are astonishing in the scope of the taxpayer abuse they confirm and in the fact that they come from the agency itself. In the case of the man whose business was seized and sold to net the IRS four dollars and seventeen cents, the report states clearly that, "The revenue officer did not use sound * * * judgment when conducting this low dollar seizure."

And this is only one of many such cases documented, Mr. President. In these two reports, Americans will find a stunning array of similar abuses.

The reports make it clear that the agency's focus on goals and statistics come at the expense of quality service and fair treatment of taxpayers. They came at the expense of fairness to IRS employees. One report admits that a full 74 percent of group manager evaluations contained references to enforcement statistics. The evaluations cited dollars per hour, hours per return, and dollars recommended for collection.

The reports make it clear that districts routinely communicated goals and enforcement statistics to group managers and employees.

In fact, the agency admits that such statistics were "communicated in all 12 districts through newsletters, monthly

reports of Examination activity, group meetings, and similar methods. Enforcement statistics," the report continues, "were often in referenced to how group managers and employees were doing in relation to district or group goals."

Cast after case is cited in these reports to illustrate how these activities within the agency adversely influenced the lives of taxpayers. In one example, collections officers did not even attempt to contact the taxpayer prior to seizing his property. The revenue officer confirmed the taxpayer's address and ownership of assets two days before seizing them. And what did the IRS seize? The tools the taxpayer needed to provide for his family. Even the taxpayer's 11-year-old daughter pleaded with the collections officer to halt the action, but the activity proceeded—the seizure producing a measly net proceed of \$20!

Again, Mr. President, these stories are not coming from witnesses whose credibility might be challenged. They are admissions made by the Internal Revenue Service itself.

Nearly half of the seizures examined in these reports indicate that improper or abusive tactics were used against the taxpayer. Not only does this validate our findings, but the very existence of these internal audits demonstrate that a new era is drawing on an agency that for far too long has been operating in darkness. It looks to be an era of openness—of cooperation—and accountability. I laud the current leadership, Commissioner Rossotti, and those who support him in what will be an historic turning point in the life of the agency. What a legacy they will leave!

And again, I express my gratitude to colleagues who stood firm in our effort to change the way the IRS does business. Our reform legislation, which I expect will be signed by the President in the very near future, will go a long way toward preventing the types of abuses chronicled in these reports. We are increasing oversight of the agency and holding employees accountable for their actions. We are ensuring that

taxpayers have due process protections in collections activities. We are prohibiting the IRS from using enforcement statistics.

This is a moment in which we can all be proud. The successful passage of reform legislation yesterday, the bipartisan spirit that marked our investigation and subsequent debate, the willingness of the agency, itself, to cooperate—all of these are to be credited.

ADJOURNMENT UNTIL MONDAY,
JULY 13, 1998

The PRESIDING OFFICER. Under the previous order, the Senate now stands adjourned.

Thereupon, the Senate, at 2:37 p.m., adjourned until Monday, July 13, 1998, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 10, 1998:

DEPARTMENT OF STATE

MARY BETH WEST, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR EXECUTIVE SERVICE, FOR THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE AS DEPUTY ASSISTANT SECRETARY OF STATE FOR OCEANS, FISHERIES, AND SPACE.

THE JUDICIARY

WILLIAM B. TRAXLER, JR., OF SOUTH CAROLINA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FOURTH CIRCUIT, VICE DONALD STUART RUSSELL, DECEASED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

Lt. GEN. EDWARD G. ANDERSON, III, 0000

WITHDRAWAL

Executive message transmitted by the President to the Senate on July 10, 1998, withdrawing from further Senate consideration the following nomination:

DEPARTMENT OF STATE

MARY BETH WEST, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR EXECUTIVE SERVICE, FOR THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE AS DEPUTY ASSISTANT SECRETARY OF STATE FOR OCEANS AND SPACE, WHICH WAS SENT TO THE SENATE ON FEBRUARY 24, 1998.