

wrongdoing. What the SEC needs is more enforcement authority.

The amendments that Senator LEVIN and I are offering will strengthen civil penalties and provide for more enforcement authority over corporate misconduct. And it will do it in several ways.

First, these amendments will grant the SEC administrative authority to ban unfit officers and directors from publicly traded corporations. And the SEC will be able to do so without having to go through the lengthy court proceedings in advance that makes it so difficult under the present law to get anything done. Their decisions, however, will be subject to judicial review so that we have the checks and balances.

Yesterday, the President gave a speech on Wall Street. He echoed the idea that unscrupulous officers and directors should not be able to serve in that capacity again. But he offered nothing to enforce that principle.

I hope the President will realize that he was a day late and a dollar short—that his proposal did not have the strength and the backbone behind it. What we offer here will allow the SEC to have the authority to remove crooked executives.

This amendment also will increase the maximum civil fines that the SEC can impose on violators of securities laws and increase those by manyfold. Future fines against crooked executives would range from \$100,000 up to \$2 million. Right now some of the fines are only \$6,500. When you are dealing with white-collar crime, you have to hit the criminals where it hurts—in the pocketbook.

Our amendment also broadens the authority of the SEC to impose fines on companies, officers, directors, auditors, and lawyers. Currently, the Commission can only impose fines on narrow categories of regulated individuals, such as brokers and dealers. But this amendment would allow the SEC to cast the net wider and go after a broad range of bad actors who engage in fraudulent conduct.

Earlier this year, Senator CARNAHAN and I introduced legislation advocating that the SEC take a tough enforcement approach, including criminal prosecutions whenever necessary. We also sought to end the cozy relationships among company executives, auditors, and directors, money managers, analysts, lawyers, and others who create this incestuous kind of relationship that does nothing but undermine the confidence of the American people in the corporate structure of this country.

Senator LEVIN and I are glad to see that a consensus is coming to embrace this approach, and if the other side of the aisle will ever let us bring this to a vote, it will be widely accepted in this body.

The recent Enrons, WorldComs, and other financial tragedies have demonstrated that white-collar crimes can

be incredibly damaging—robbing hard-working Americans of their jobs, their savings, and their retirements.

There is simply no justification for handling corporate wrongdoers with kid gloves. Earlier today Senator LEAHY pointed out that if you defraud the public you must go to jail.

I came over here hoping that I could give a speech to support Senator LEVIN before we adopted this amendment. But I guess it is going to be Friday, or if they drag us on, I guess it will be Monday, or Tuesday. But we will pass this amendment, and we will pass this bill. It is a reflection of the will of the American people to keep our country strong and to keep our country free.

I yield the floor.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam 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 July 7, 2002 in St. Petersburg, FL. Sonny Gonzales and his friends were walking to their limousine after a gay pride party when an angry man approached them in a parking garage. "The first thing out of his mouth was, 'faggots,'" said Gonzales. The man taunted the group, screamed obscenities, and then punched Gonzales and his friends. Gonzales suffered a head laceration. His partner, Stephen Hair, 25, suffered a skull fracture, a cracked sinus, and a broken tooth trying to defend him. Authorities arrested Devin Scott Angus, 20, in the attack. He was charged with aggravated battery with great bodily harm and battery evidencing prejudice.

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.

LOW MEDICARE REIMBURSEMENTS

Mr. SPECTER. Madam President, I submit for the CONGRESSIONAL RECORD several additional supporting documents regarding Medicare Metropolitan Statistical Areas referenced in my statement on Monday, July 8, 2002.

I therefore ask unanimous consent that the additional documents be printed in today's RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BERWICK HOSPITAL CENTER,
Berwick, PA, July 3, 2002.

Senator ARLEN SPECTER,
Scranton District Office,
Scranton, PA.

DEAR SENATOR SPECTER: I am writing to reiterate our support for the proposed increase in Medicare Reimbursement Rates for hospitals in Northeastern Pennsylvania. The proposed increase would mean an additional \$800,000 in increased annual reimbursement to Berwick Hospital Center.

This increase, if granted, would go directly for training and recruiting health care personnel who are in critically short supply in our area. The hospital currently has 19 registered nurse and 6 licensed practical nurse vacancies. In addition, there are 10 vacancies in the support departments, such as laboratory and radiology. A significant factor in these vacancies is the higher wages and benefits that are paid in the Philadelphia and New York metropolitan areas that are within a 2.5 hour drive from our hospital. Our hospital cannot afford to match these urban wages due to the disparity in our Medicare Reimbursement levels.

As such, the proposed increase in Medicare Reimbursement is critical to stop the out-migration of skilled health care workers from our area. Since the average age of nurses in our state is now approaching 45, in the next decade when the Baby Boomer generation reaches retirement age, there will be no nurses and other support personnel to take care of their medical needs in our community. A concerned effort to improve educational opportunities for high school graduates, as well as improved wages for existing workers is needed.

Finally, I would urge the Congress to take immediate action on this issue. It will take years to reverse the current trend, through support of new educational programs, and other programs to retain the existing workforce. Postponing a decision will make the current crisis worsen to the point where the health care delivery system in our community will not function.

MARIAN COMMUNITY HOSPITAL,
Carbondale, PA, July 8, 2002.

Hon. ARLEN SPECTER,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR SPECTER: On behalf of Marian Community Hospital, its Board of Directors, and the greater Carbondale area community, which we serve, we thank you for the efforts that you, Representative Sherwood and your respective staffs have committed to addressing the disparity caused by the Medicare wage index.

We know that you are keenly aware of the challenges facing the hospitals in our region but we would like to share with you the following points that were communicated to our Board of Directors through our current operating budget:

Over half of the Hospital's healthcare service and activities are provided to patients who are poor and elderly. The reimbursement received from the federal government for services provided to these patients under the Medicaid and Medicare programs are not sufficient to cover the cost of care (approximately 55% of the hospital's costs is for salaries and fringe benefits).

For the fourth year in a row, revenues from operations have not been or expect to be adequate to cover the cost of providing care and, accordingly, savings intended for building and equipment replacement were used to cover the unreimbursed costs (Pennsylvania Cost Containment Council indicates these losses are consistent for those hospitals residing in Northeastern Pennsylvania).