

funds. When a participating hospital receives directions from its fiscal intermediary, the hospital should know it can follow those directions without fear of being accused of fraud. Using the False Claims Act, the Justice Department is notifying hospitals that they are under investigation for alleged billing fraud, offering minimal time to respond or face prosecution. Hospitals are capitulating to these demands even when they know no fraud has been committed simply because they cannot afford to pay the accountants and lawyers to take on the Department of Justice. Others believe diverting these funds from patient care would be an irresponsible waste of tax dollars and not in the best interests of Medicare beneficiaries. I certainly agree.

Respected physicians in my State, some personal friends of forty years, have received letters recently from the "Medicare Fraud Unit" demanding that they pay up immediately or face prosecution. They are confused and annoyed about the complexity of Medicare rules and coding, but they are outraged that they are being accused of fraud with no basis whatsoever. I submit, Mr. President, that they deserve to be enraged. And it doesn't get any better once they enter negotiations and are virtually unable to practice medicine because of the auditors consume most of the work day and office space. Then they wait for months to see if the ax will fall.

The Health Care Claims Guidance Act of 1998 would take a small but important step in the right direction. It would amend the False Claims Act to create special rules for claims in all Federally funded health care programs. No criminal provisions are amended. The bill's provisions apply only to health care claims limited to civil actions.

First, no action can be brought if the provider has relied on and correctly applied information supplied by a Federal agency or an agent thereof. Second, no action may be brought unless the amount of damages is material. Third, it establishes a safe harbor for hospitals with an effective compliance plan under the General Hospital Compliance Guidelines. And, fourth, it raises the burden of proof from a "preponderance of the evidence" to a "clear and convincing evidence" standard.

Mr. President, let me make it clear once again, this bill in no way limits the authority of the Government to recoup or otherwise recover damages with respect to claims under any other provisions of law and does not apply to criminal provisions. It allows us to begin restoring the partnership between the Federal Government and those who provide health care under Federal programs and encourages the Government to use its resources to prosecute those who violate that partnership. I urge my colleagues to assist us in its early passage.

By Mr. COVERDELL (for himself, Mr. ASHCROFT, Mr. SHELBY, Mr. FRIST, Mr. HAGEL, Mr. INHOFE, and Mr. MCCAIN):

S. 2008. A bill to amend the Internal Revenue Code of 1986 to prohibit the use of random audits, and for other purposes; to the Committee on Finance.

THE INTERNAL REVENUE SERVICE RANDOM  
AUDIT PROHIBITION ACT

Mr. COVERDELL. Mr. President, I rise today to introduce the Internal Revenue Service Random Audit Prohibition Act. I wanted to take this opportunity to alert my colleagues of the Senate that the IRS has identified a new enemy: innocent taxpayers.

Over the past several years, all of us have seen news accounts of regular, average citizens who have become the targets of grueling IRS audits. These individuals were neither wealthy nor powerful; in fact, they were most often ordinary, law-abiding taxpayers who earned a modest wage, ran a small business, or operated a family farm. Some struggled just to make ends meet, and many were understandably confused about what they had committed to justify the scrutiny of the IRS.

The truth is they committed no wrong. They were simply unfortunate victims of an IRS practice called "random audits," where the IRS simply picks people out of a hat in the hope it can uncover some wrongdoing.

A recent report produced by the General Accounting Office (GAO) at my request confirms that the IRS has been targeting thousands of poor taxpayers and small businesses for random audits. In fact, almost 95 percent of all random audits of individual taxpayers performed between 1994 and 1996 were conducted on taxpayers who earned less than \$25,000 each year.

Last Fall, hearings held by the Senate Finance Committee brought the IRS's abuse of taxpayers to the attention of the entire Nation. One witness, Jennifer Long, who is a current field agent with the IRS, remarked, "As of late, we seem to be auditing only the poor people. The current IRS Management does not believe anyone in this country can possibly live on less than \$20,000 per year, insisting anyone below that level must be cheating by understating their true income." The IRS' belief that low-income families are more likely to cheat than others serves as a disturbing sign of how far it has strayed from the principles of American justice.

The GAO report also indicates that the IRS has been specifically targeting my home state of Georgia for random audits. Nearly twice as many random audits took place in Georgia between 1994 and 1996 than in all the New England states combined and Georgians are three-times more likely to be randomly audited than their California counterparts. Furthermore, the GAO warns that we can expect that number of rise dramatically in Georgia over

the next several years because the IRS believes small businesses in Georgia are more likely than other so-called "subpopulations" to engage in tax fraud. I do not understand why the IRS believes that Georgia small business are more likely to cheat than their counterparts elsewhere in the Nation. I still have not received an adequate reply from the IRS regarding any of these developments.

Most of us understand the need to ensure tax code compliance through reasonable mechanisms. Where there is some indication that wrongdoing has occurred, an audit may be appropriate. But Americans will not accept the IRS's assertion that enforcement requires them to go after innocent, low-income taxpayers by using random audits that make no distinction between the guilty and the innocent. Honest citizens deserve better.

The legislation I introduce today, along with a number of my colleagues, would remove random audits as a tool available to the IRS in its examination process. Victims of random audits would be entitled to damages of \$5,000 after filing civil action, and the cost of litigation would also be recoverable. In addition, my proposal would require the IRS to identify the basis for audit in any notice to the affected taxpayer of such an examination. Finally, the effective date for these changes are set to the date of introduction. This puts the IRS on notice that Congress is deadly serious about the need to end random audits.

I hope my colleagues will support my effort to stop the IRS from targeting innocent taxpayers. With passage of the IRS Random Audit Prohibition Act, honest, hardworking taxpayers can be assured they will be protected from unwarranted audits. They deserve no less.

ADDITIONAL COSPONSORS

S. 89

At the request of Ms. SNOWE, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 89, a bill to prohibit discrimination against individuals and their family members on the basis of genetic information, or a request for genetic services.

S. 659

At the request of Mr. GLENN, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 659, a bill to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Restoration Study Report.

S. 852

At the request of Mr. LOTT, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 852, a bill to establish nationally uniform requirements regarding the titling and registration of salvage, non-repairable, and rebuilt vehicles.

S. 981

At the request of Mr. THOMPSON, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 981, a bill to provide for analysis of major rules.

S. 1089

At the request of Mr. SPECTER, the names of the Senator from South Dakota (Mr. DASCHLE), and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 1089, a bill to terminate the effectiveness of certain amendments to the foreign repair station rules of the Federal Aviation Administration, and for other purposes.

S. 1145

At the request of Mr. GRAMS, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1145, a bill to amend the Social Security Act to provide simplified and accurate information on the social security trust funds, and personal earnings and benefit estimates to eligible individuals.

S. 1325

At the request of Mr. FRIST, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 1325, a bill to authorize appropriations for the Technology Administration of the Department of Commerce for fiscal years 1998 and 1999, and for other purposes.

S. 1365

At the request of Ms. MIKULSKI, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1365, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds \$1,200, adjusted for inflation.

S. 1392

At the request of Mr. BROWNBACK, the names of the Senator from Minnesota (Mr. GRAMS), and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. 1392, a bill to provide for offsetting tax cuts whenever there is an elimination of a discretionary spending program.

S. 1649

At the request of Mr. FORD, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 1649, a bill to exempt disabled individuals from being required to enroll with a managed care entity under the Medicaid program.

S. 1862

At the request of Mr. DEWINE, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1862, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 1879

At the request of Mr. BURNS, the names of the Senator from Nebraska

(Mr. HAGEL), the Senator from Georgia (Mr. COVERDELL), the Senator from North Dakota (Mr. CONRAD), the Senator from Iowa (Mr. GRASSLEY), the Senator from Missouri (Mr. BOND), the Senator from California (Mrs. FEINSTEIN), the Senator from Idaho (Mr. CRAIG), the Senator from Minnesota (Mr. GRAMS), the Senator from South Dakota (Mr. DASCHLE), and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of S. 1879, a bill to provide for the permanent extension of income averaging for farmers.

S. 1882

At the request of Mr. JEFFORDS, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1882, a bill to reauthorize the Higher Education Act of 1965, and for other purposes.

S. 1900

At the request of Mr. D'AMATO, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 1900, a bill to establish a commission to examine issues pertaining to the disposition of Holocaust-era assets in the United States before, during, and after World War II, and to make recommendations to the President on further action, and for other purposes.

S. 1919

At the request of Mr. MURKOWSKI, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 1919, a bill to provide for the energy security of the Nation through encouraging the production of domestic oil and gas resources from stripper wells on federal lands, and for other purposes.

S. 1920

At the request of Mr. MURKOWSKI, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 1920, a bill to improve the administration of oil and gas leases on Federal lands, and for other purposes.

S. 1930

At the request of Mr. NICKLES, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 1930, a bill to provide certainty for, reduce administrative and compliance burdens associated with, and streamline and improve the collection of royalties from Federal and outer continental shelf oil and gas leases, and for other purposes.

S. 1985

At the request of Mr. HATCH, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1985, a bill to amend Part L of the Omnibus Crime Control and Safe Streets Act of 1968.

S. 1992

At the request of Mrs. HUTCHISON, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1992, A bill to amend the Internal Revenue Code of 1986 to provide that the \$500,000 exclusion of a gain on the sale of a principal resi-

dence shall apply to certain sales by a surviving spouse.

S. 1995

At the request of Mr. ABRAHAM, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 1995, A bill to amend the Internal Revenue Code of 1986 to allow the designation of renewal communities, and for other purposes.

SENATE RESOLUTION 175

At the request of Mr. ROBB, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of Senate Resolution 175, a bill to designate the week of May 3, 1998 as "National Correctional Officers and Employees Week."

SENATE RESOLUTION 201

At the request of Mr. KEMPTHORNE, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of Senate Resolution 201, A resolution to commemorate and acknowledge the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

#### SENATE CONCURRENT RESOLUTION 92—EXPRESSING THE SENSE OF CONGRESS WITH RESPECT TO THE COLLECTION OF DATA AS A PART OF THE 2000 DECENNIAL CENSUS

Mr. TORRICELLI (for himself and Mr. D'AMATO) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 92

Whereas the decennial census of population is the only source of accurate, reliable, and comparable information on the demographic, social, and economic characteristics of the people of the United States and the communities in which they live, for all geographic levels, including rural areas and census tracts;

Whereas the Bureau of the Census, in response to a mandate from Congress to reduce the reporting burden on the residents of the United States, has proposed to include on the long-form census questionnaire only those subjects that have specific Federal legislative justification;

Whereas the demographic and socioeconomic data collected in the decennial census helps policymakers assess population changes, housing conditions, ancestry, and other patterns of mobility and achievement for different regions and governmental jurisdictions, as well as for different population subgroups;

Whereas independent analysis by a panel convened by the National Academy of Sciences determined that there are essential public needs for information gathered by the long form and that the extra cost of the census long form, once the census has been designed to collect limited data for every resident, is relatively low;

Whereas the National Academy of Sciences has concluded that the long form does not significantly affect the overall mail response rate to the census;

Whereas independent analyses of the decennial census have found that the long form does not increase the undercount in the census or the differential undercount of racial,