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## Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Sovereign Lord of our Nation, You have created each of us to know, love, and serve You. Thanksgiving is the memory of our hearts and the thermostat of our souls, opening us to the inflow of Your Spirit and the realization of even greater blessings. You have shown us that gratitude is the parent of all other virtues. Without gratitude, our lives miss the greatness that you intended and remain proud, self-centered, and small.

We begin this day with gratitude for the gifts of life, intellect, emotion, will, strength, fortitude, and courage. We are privileged to live in this free land so richly blessed by You.

But we also thank You for the problems that make us dependent on You for guidance and strength. When we turned to You in the past, You gave us the leadership skills we needed. Thank You, Lord, for taking us where we are, with all our human weaknesses, and using us for Your glory. May we always be distinguished by the immensity of our gratitude for the way You pour out Your wisdom and vision when we call out to You for help. We are profoundly grateful. In the name of our Lord and Savior. Amen.

### RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

### SCHEDULE

Mr. LOTT. Mr. President, this morning the Senate will be in a period of morning business until 10:30 a.m. Fol-

lowing morning business, the Senate will resume consideration of H.R. 2676, the IRS reform and restructuring bill, for debate only, prior to the policy luncheon recess, except for the offering of a managers' amendment if one is agreed to and worked out. I have the impression they have made good progress in that area.

Members are encouraged to come to the floor to debate this IRS reform bill so the Senate can complete action as early as possible this week. It is certainly very important legislation. A lot of effort has been put into its development. I know Senators do want to make comments on it, but I hope they will not wait until later in the week. They have a golden opportunity this morning and this afternoon to go ahead and make statements they are prepared to offer.

As a reminder, a rollcall vote is scheduled this evening at 5:30 on passage of H.R. 1385, the workforce development bill. There will be 1 hour of debate prior to that, beginning at 4:30. Any votes ordered with respect to the IRS reform bill will be stacked to occur following the 5:30 vote.

I thank my colleagues for their attention to this. I hope we can have the type of cooperation this week that we received last week.

Mr. President, I do have a statement I would like to make, but before I begin that, let me observe the absence of a quorum just for a moment.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

### INTERNAL REVENUE SERVICE REFORM

Mr. LOTT. Mr. President, today we begin our second day of floor debate on legislation to rein in the Internal Revenue Service. As hearings demonstrated last week, once again, the IRS is an agency with real problems. I should note, again, it has a job to do. It is not an easy job. We acknowledge that. We also have to give credit to those IRS employees who work hard, do an honest job, and don't target people for unnecessary audits or try to set up laundering schemes, things of that nature. A lot of IRS employees have put their own jobs on the line and have endured a lot of harassment because they have said there are problems here.

We heard from a number of them last week who came in. In fact, one lady came in, she is chief of a division, and complained about the slowness or inaction by the Deputy Commissioner of IRS where there has been misconduct within the IRS. It seems when complaints or problems develop and recommendations are made, they are put in a desk somewhere, or on a desk, and they seem to just disappear. It was an IRS agent who came and said the Deputy Commissioner is not following up on things.

We had a panel of IRS agents who came in and talked about the problems they had found. IRS agents are the ones who pointed out there had been targeted audits of people like Senator Howard Baker. It was three IRS agents who were, in effect, punished or moved because they said there is a rogue agent here out of control doing something that is wrong and illegal. So a lot of IRS workers are the ones who have brought these matters to our attention.

The most compelling testimony, though, last week, for me, involved small businessmen who had been raided unfairly. Some of them still, obviously, are emotionally distraught over what

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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they had to endure. One of them was a man by the name of John Colaprete. Mr. Colaprete is a small businessman, a restaurant owner, in Virginia Beach, VA. He told the Senate Finance Committee how the IRS almost destroyed his business. This morning you will get a chance to hear his story in his own words. I am going to read his testimony because it was so compelling. I fear a lot of Senators did not hear his testimony, and a lot of the American people didn't hear it, but this is just one of the three. I know there are many others in the country.

This is the type of thing that is being done by the Criminal Investigation Unit at IRS that has to be reined in.

My name is John Colaprete. I'm from Virginia Beach, and I'm in the restaurant business.

I'm also a husband, a father, and veteran, having served my country proudly as a U.S. Marine Corps captain from 1965 to 1969.

I have never been in any sort of trouble with the law, and I believe that every American has an obligation to pay their fair share of income taxes.

I have never failed to meet that obligation. I have always considered myself both patriotic and a law-abiding citizen.

I will always be a law-abiding citizen. However, I feel I have literally been punished for upholding the laws of the nation I swore an allegiance to honor and defend.

Four years ago, I employed a bookkeeper in my restaurant who eventually embezzled approximately \$40,000.00 from the business. She went to prison for her crimes, but not before turning my life, and the lives of countless others, upside down. With the full cooperation of the Internal Revenue Service, this woman, a multiple felon, who already had an outstanding warrant for her arrest, managed not once but twice, to victimize me, my family, partners, employees, patrons and others in the business community who depended upon me and my business.

This dance with the Devil began in March of 1994, when my partner and I became aware that we were being swindled by our bookkeeper. When we discovered substantial shortages in our accounts, we confronted her, and she admitted to stealing from our business. She told us she would make restitution. Unfortunately, rather than make restitution, she sought shelter with the IRS and told them a fantastic tale of money laundering, gun running and drug dealing by my partner and me.

Little did I know that the IRS would spend less than 48 hours investigating my bookkeeper's allegations before conducting raids on my business, my home, and the home of my manager.

Little did I know that the government I had so proudly served would accept these allegations to be true, despite the alarming lack of substantiation, probable cause, or proof of any sort whatsoever.

Little did I know that the IRS, when faced with the outrageous claim that I had thousands of pounds of cocaine stored like cordwood in my office, would subscribe to a policy of Guilty Until Proven Innocent. Unfortunately, in the case of the IRS, I now know this is standard operating procedure when dealing with law-abiding taxpayers.

This wasn't a matter of an honest mistake; in fact, a recently retired FBI agent divulged in a deposition taken for the case that I have pending against the IRS, that he had advised all involved to be skeptical about the claims of my accuser. The FBI specifically declined to become involved, and in the words of one

of its agents, the whole story sounded like a "Grade B" movie.

On the morning that both my home and business were raided—raids executed solely on the word of my ex-bookkeeper—I was in a church for the occasion of my son's first holy communion. Armed agents, accompanied by drug-sniffing dogs, stormed my restaurant during breakfast, ordered patrons out of the restaurant and interrogated my employees. The IRS impounded my records, my cash registers, and my computers. Since the raids, we managed to get up and running, despite what can easily be perceived as our own government's best attempts to put us out of business.

Today, I still wonder how such a thing can happen, but I know it does. And I'd like you to know that for every taxpayer like me—those who have survived armed assaults on our businesses and our homes—there are perhaps several thousands of taxpayers who, in fear, lick their wounds, tally their losses, and consider themselves lucky that the IRS has finally left them alone, their innocence notwithstanding. I have nothing to hide, and I will never consider myself lucky when I ponder the events of the last four years. As for the taxpayers who have suffered similar injustices at the hands of the IRS, I hear from these people every week. They seek me out and relate horror stories that, at one time, would have evoked from me nothing more than simple skepticism. I used to believe that such things could only happen in a Communist bloc country, or a police state. I don't believe that anymore.

When the raid occurred at my home, the front door was torn from the hinges. My dogs were impounded, along with my safe and 12 years of my personal income tax returns and supporting documents. When that safe was finally returned, an heirloom watch that I had received as a gift from my father was missing. In the aftermath of the raid, I returned to find my home in shambles. It was as if I had been burglarized, both in appearance and in the sense of having been grossly violated.

While my restaurant and my home were being raided by armed agents of the Internal Revenue Service, a raid was also being conducted on the home of my manager.

In that raid, my manager was pulled at gunpoint from the shower and forcibly restrained while he attempted to call an attorney. His teenage son was forced to the floor at gunpoint. His daughter, 14 years old at the time, had several friends over for a slumber party the night before. These young girls had to get dressed under the watchful eyes of male agents, despite the presence of female agents. The IRS agents stood in the doorway to the bedroom, refusing these young girls even a semblance of privacy.

We were never charged with any crimes. After scrutinizing our records for four months, the IRS returned most of them. A rental truck pulled up in front of my business one day, and the items that were returned were basically dumped in a pile on the street for us to sort through. I never received an apology.

Following the raids, I could get no answers as to why all of this occurred. I was met with "No comment, Mr. Colaprete," at every turn. Freedom of information requests were ignored, ostensibly due to a backlog of such requests, and despite legally mandated time limits on such requests. Two newspapers in Virginia Beach made repeated requests under the Freedom of Information Act, only to have the Justice Department thumb its nose at those requests. When an investigative journalist began to get to the bottom of things, he was also subjected to the harassment of the IRS. He had an opportunity to interview Special Agent Carol Willman from

the IRS office in Norfolk, Virginia. During that interview, Ms. Willman interrupted the reporter's inquiries with a demand for his Social Security number. Within the year, he was notified that the IRS wanted to audit his return. When a local publication reported this, the audit was abruptly canceled. An IRS agent stated at the time that the agency does not retaliate against citizens through the use of audits, but the facts would seem to indicate otherwise.

The ex-bookkeeper, meanwhile, was kept in protective custody by the IRS in a motel up until the time of the raids. It is almost unimaginable that there could be such a level of incompetence at the IRS that they would not only take the word of this woman and begin any sort of investigation, but they would shield her from the authorities who were trying to arrest her. The woman who the IRS was protecting and on whom they had relied had already been convicted numerous times. In fact, the outstanding criminal charge pending against her at the time she approached the IRS was for a crime involving lying and stealing. Ironically, just a week before this woman approached the IRS, I had specifically gone to the police and filed a complaint against her, alleging that she had lied, stolen and embezzled from me. In the face of all of that, how could anyone, let alone a supposedly trained, professional inspector with the IRS, accept at face value what this woman was saying? Based on her word, she—Carol Willman—not only commenced an investigation, but completely shut down a business and turned the lives of innocent people upside down less than 48 hours after first being introduced to the woman. Is there such a competitive atmosphere within the IRS to add another feather in their cap that they would ignore not only basic investigative techniques, but the obvious flaws in this woman's character and simply accept her at face value? It is frightening that such a woman could have conned the IRS into believing that her employer, despite all appearances to the contrary, was a high-level gangster and then shield her from the law in the belief that she would lead them to a bigger fish—like me.

To compound the Keystone Cop mistakes that had already been made, the IRS then allowed her to leave the jurisdiction of Virginia to go to North Carolina where she was only later sent to jail for embezzling from three other employers in that state. On the surface, it might appear that she acted alone, but that just isn't so. The IRS was her partner in crime—first, acting in concert to destroy my life, and then allowing her to flee the state and victimize others.

I looked for answers and was rebuffed at every turn. I suffered a deep depression that lasted a year. I was immobilized and could not get out of bed some days. My neighbors shunned me. My wife, who is an artist, has not been able to pick up a paint brush in four years. My children were taunted at school and told that their father was a gangster and a drug dealer—a Mafioso. I raised my children with a zero tolerance for dishonesty, and now they must hear allegations that I am a tax cheat. I am here to tell you that I am none of those things.

Relatively speaking, the trauma that has befallen me is mild, compared to what has happened to my manager. He has suffered severe depression, sought counseling from his pastor, literally been shunned by friends and acquaintances, and has yet to get his life back in order. He has been ruined financially and emotionally, with little or no hope of ever getting his life back to where it was prior to the raids.

I'm also here to tell you that we cannot treat our citizens this way—not in America. I have been repeatedly victimized over the

past four years, primarily by a government tax agency that is funded with my tax dollars. If Americans have a perception of the IRS as the Boogey Man, it is because the IRS itself has promoted that perception through policies that are fundamentally unconstitutional and illegal.

This is not a partisan issue—it is a people issue and a freedom issue.

I have a lawsuit pending against the IRS, and I will not rest until I have had my day in court. The IRS response to the lawsuit has been to cast doubt on my character by insinuating that they did, in fact, find evidence of wrongdoing, but they chose not to prosecute if. If I was guilty of anything, why would they “choose” not to prosecute? While any “allegations” will eventually be shown in court to be what they are, i.e., a smoke screen, until I can get into court to prove my case, these “allegations” linger in the community where I live and work and continue to compound my frustration.

The system does not work for the American taxpayer. The total sense of violation that we have experienced has had a devastating effect on us all. In the wake of all of this, I find there is no system in place to defend me, or others like me. I'd like to believe that someone takes responsibility for what has happened—for what continues to happen every day in this country. If the example we are to set for our citizens is one of no accountability and no remorse, then our form of government—the oldest surviving democracy on the planet—cannot survive much longer.

A day doesn't go by that I don't wonder what harassment will occur next. I would like to know why this dark entity known as the IRS has come into my life and refused to leave. So who protects me in the system? Who cares about my constitutional rights? Not the courts. Not the IRS. I am hoping that the buck stops here—with you, Senator Roth and this Committee.

I leave you with just three questions, Senators:

(1) Why did this happen?  
 (2) What will you do to see that it never happens again to innocent taxpaying Americans? We cannot employ inexperienced and immature people to play God with the lives of our taxpayers—IRS agents who decide that it's a beautiful day to go out and destroy someone's life; and finally,

(3) Once this ordeal has ended and I have obtained a verdict in a court of law and a judgment against the IRS, what will you do to assure me that the IRS pays the judgment, rather than continue to beat me into submission through endless appeals and an outright refusal to pay the judgment that I obtain?

In this great democracy, we have created this entity to collect taxes which we all agree must exist. However, we have empowered this agency to be subject to no one, to no laws, to no checks and balances, and all of us—including each and every one of you—are afraid of them! Why should we fear the very people we employ?

When these hearings began last September, I was told that Senator Roth would conduct these hearings because he has no fear. After my ordeal, I have no fear any longer, but when Americans receive that letter with the logo of the IRS in the upper left hand corner, their pulse rate, heart beat and blood pressure rise. There is a genuine fear. This fear must stop.

Mr. President, I want to open today's debate by sending messages to two groups of people.

To Mr. Colaprete, to his family, to his manager, to the employees of his restaurant, and to the residents of Vir-

ginia Beach whose lives were harmed by the IRS, I want to say that I'm sorry. Since the IRS apparently thinks they do not need to apologize to you, I will. On behalf of myself and the United States Senate, I apologize for the harm that your government has done to you.

I also want to say to Mr. Colaprete that it is our intent that this never happens again. The legislation we have before us is specifically designed to stop the kind of abuse you suffered, and we will continue to maintain a vigilant watch over this agency.

To the agents at the IRS, who have been out of control, and to the management who is protecting those agents, I want to say watch out. We are on to you, and we will not let you do this sort of thing to the American people.

That is our goal here, to provide some protections, some oversight that is free and separate from the IRS, a private citizen entity to look into their procedures and their conduct. It also is to give some relief to the taxpayers who now find quite often that the penalties and the interest far surpass the basic amount that was owed.

This action is overdue. I want us to have a strong bill because I don't want us to come back 2 years from now and find out what we did, in fact, did not change the culture at IRS. I do believe that the new Commissioner, Mr. Rossotti, is trying hard to turn things around, but it is not all the agency's fault. The laws that we have on the books have been inadequate. In fact, I am not sure we can fix these laws. We may have to just scrap what we have and start over again.

For now, until that is done, we must build in protections against this type of abuse of ordinary citizens and taxpayers.

I yield the floor.

#### RESERVATION OF LEADER TIME

THE PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

#### MORNING BUSINESS

THE PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Utah, Mr. HATCH, is recognized to speak for up to 30 minutes.

Mr. HATCH. Without losing my right to the floor, I am happy to yield time to the distinguished Senator from Idaho. Then I would like to make my statement.

THE PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. I ask unanimous consent the time I use would not take away from the allocated time of the Senator from Utah.

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

#### ENDANGERED SPECIES REAUTHORIZATION

Mr. CRAIG. Mr. President, today I come to the floor to speak to the reauthorization of the Endangered Species Act. I ask unanimous consent my name be added to the cosponsorship of S. 1180, a bill reauthorizing the Endangered Species Act.

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

Mr. CRAIG. Mr. President, I would like to take a few minutes today to talk about S. 1180, the Endangered Species Act reauthorization bill, and why I have decided to cosponsor it at this time.

As our colleagues know, this bill was passed by the Environment and Public Works Committee last fall, and it is currently on the calendar, ready for consideration by the full Senate. I have been slow to cosponsor S. 1180 because of some reservations I had—and still have—about the bill. I will talk in more detail about those details in a minute.

However, I am absolutely convinced that the current Endangered Species Act is not only a dismal failure at saving species, but is actually working against that goal. Furthermore, every day we tolerate this defective law, its unfair and unnecessary burdens increase on citizens and the economy. Yet at the same time, the American people continue to believe that conserving fish and wildlife species for the enjoyment of future generations is the right thing to do. And I certainly agree with that. They want to make changes to the law, but don't want to see the Endangered Species Act thrown out.

That is why for the last three years, my colleague and friend from Idaho, Senator KEMPTHORNE, has been working mightily to improve this complex law. He has held hearings, built coalitions, drafted and re-drafted language to correct the problems while still advancing the goals of the Endangered Species Act. I congratulate him, as well as our other Senate colleagues who have worked with him to produce this bill.

S. 1180 would make some positive reforms in the current system. It would re-focus the process on actually saving species. It would create opportunities and benefits for people who are affected by the government's actions in these areas.

For example, the bill emphasizes *sound science—instead of politics*—to guide actions taken to conserve and recover species. It requires independent peer review for listing and delisting decisions, and for the establishment of a biological recovery goal in a recovery plan. Specific time limits would be observed, and States and local citizens would have a larger role in the process.

I believe these provisions and others would make significant improvements