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.