identification that results in the perpetuator receiving anything of value aggregating $1,000 or more over a 1-
year period, would carry a penalty of a fine or up to 15 years' imprisonment, or both. The use or transfer of another personal identification document that does not satisfy those monetary and time period requirements, would carry a penalty of a fine and up to three years' imprisonment, or both.

Finally, again with the support of the Department of Justice, we clarified the forfeiture procedure to be used in connection with offenses under section 1028. The bill as reported created a forfeiture penalty for these offenses; the addition of a procedure simply clarifies how that penalty is to be enforced. I am glad that Senator Kyl and I were able to join forces to craft legislation that both punishes the perpetrators of identity theft and helps the victims of this crime.

Mr. HATCH. Mr. President, it is with pleasure that I rise today in support of S. 512, the "Identity Theft and Assumption Deterrence Act of 1998." This measure has bipartisan support, and I am pleased to be an original co-sponsor along with Senators LEAHY, FEINSTEIN, DeWINE, WAXMAN, CASSIDY, GILLIARD, FAIRCLOTH, HARKIN, WARNER, MURkowski and ROBB.

Identity theft is a crime that destroys the lives of thousands of innocent people each year. It occurs when an imposter, who has falsified or stolen personal information from another individual, uses the information to make financial transactions or conduct personal business in the name of another. This heinous crime often leaves victims with mountains of debt, ruins their credit history, and makes it difficult for the individuals to obtain employment. In short, it virtually takes over the lives of innocent citizens who find themselves trying to untangle a tangle of obligations they did not make or actions they did not commit.

Many of you know individuals who have been victims of this crime. These are people whose lives have been destroyed because a con-artist gained access to and used their personal data, such as their address, date of birth, mother's maiden name, or social security number. This is information that you and I ask to verify every day in our personal lives in the course of daily business. Often, these data are used to open bank and credit card accounts and to obtain bank and mortgage loans. These fake business and personal commitments and obligations can ruin a lifetime of hard work.

Currently, the applicable federal statute, Title 18 United States Code Section 1028, only criminalizes the possession, transfer, or production of identity documents. In other words, you have to catch the culprit with the actual documents in order to bring a prosecution for fraud. Obviously, such criminals are not always going to keep these documents once they have acquired the information they need. Many times criminals simply misappropriate the information itself to facilitate their criminal activity.

As there is no specific statute criminalizing the theft of the information, when identity criminals are prosecuted, law enforcement must pursue more indirect charges such as check fraud, credit card fraud, mail fraud, wire fraud, or money laundering. Unfortunately, these statutes do little to compensate the victim or address the horror suffered by the individual whose life has been invaded. Often these general criminal statutes treat only affected banks, credit bureaus, and other financial institutions as the victim, leaving the primary victim, the innocent person, without recourse to reclaim his or her life and identity.

S. 512 recognizes not only that it is a crime to steal personal information, and enhances penalties for such crimes, but it also recognizes the person, whose information has been stolen, as the real victim. Moreover, it gives the victim the ability to seek restitution and relief.

I believe this bill to be an important piece of legislation. It is supported by federal law enforcement, credit bureaus, banking associations, and other private entities. I urge all of my colleagues to join us and support the passage of this bill.

Mr. FEINSTEIN. Mr. President, I am proud to be an original co-sponsor of the substitute version of S. 512, the Identity Theft and Assumption Deterrence Act of 1998, which the Senate is considering today.

On May 20, the Senate Judiciary Committee, Subcommittee on Technology, Terrorism, and Government Information, on which I serve as Ranking Member, heard from victims of identity theft from both Subcommittee Chairman Kyl's and my home states.

The victimization of lives suddenly, and without warning, turned upside down by the crime of identity theft.

Theirs are not isolated stories. The Secret Service last year made nearly 9,500 identity theft-related arrests, totaling three-quarters of a billion dollars in losses to individual victims and financial institutions. Such losses have nearly doubled in the last two years, and no end to the trend is in sight. In fact, in one case, identity theft is used to violate immigration laws, to illegally enter the country or to flee across international borders.

It used to be that identity theft required working through document preparers for discarded credit card receipts. Today, with a few keystrokes, a computer-savvy criminal can hack into databases and lift credit card numbers, social security numbers, and a myriad of personal information.

The Identity Theft and Assumption Deterrence Act does two critical things in the war on identity theft: it gives prosecutors the tools they need, and it recognizes that identity theft victimizes individuals.

Prosecutors tell us that they lack effective tools to prosecute identity theft and to make victims whole. S. 512 has been drafted in consultation with prosecutors to provide them the tools they need. S. 512 does so in a number of important ways:

It updates pre-computer age laws to criminalize electronic identity theft;

It stiffens penalties and adds sentencing enhancements that prosecutors tell us they need to effectively prosecute crimes; and

It allows law enforcement agents to seize equipment used to facilitate identity theft crimes.

Earlier this month, the Senate Judiciary Committee passed the Victim's Rights Amendment to the Constitution, of which I was also proud to be an original cosponsor. Similarly, S. 512 for the first time recognizes that individuals, and not just credit card companies, are victims of identity theft, and it provides them with proper restitution. It protects victims rights, fully recognizing individuals as victims of identity theft, establishing remedies and procedures for such victims, and requiring restitution for the individual victim.

I am proud to be an original co-sponsor of this legislation, and I urge my Senate colleagues to pass it.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 3480) was agreed to.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the committee amendment, as amended, be agreed to. The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment, as amended, was agreed to. Mr. JEFFORDS. Mr. President, I ask unanimous consent that the bill be considered read a third time and be amended so that reconsideration be laid upon the table; and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The bill (S. 512), as amended, was considered read the third time and passed.

FEDERAL ACTIVITIES INVENTORY REFORM ACT OF 1998

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 902, S. 314.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 314) to require that the Federal Government procure from the private sector the goods and services necessary for the operations and management of certain Government agencies, and for other purposes.
The President. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Budget on July 15, 1998. The original S. 314 has had long and contentious debate in the Senate.

I commend the original sponsors of the legislation which could be supported by Senators THOMAS, among others, and Congressmen DUNCAN in the House, who have been working diligently to develop legislation which could be supported by all sides. Interested industry groups

The costs of performing that activity by the executive agency, the head of the executive agency shall ensure that all costs (including the costs of quality assurance, technical monitoring of the performance of public, liability insurance, employee retirement and disability benefits, and all other overhead costs) are considered and that the costs considered are realistic and fair.

SEC. 3. CHALLENGES TO THE LIST.

(a) Challenge Authorized.—An interested party may submit to an executive agency a challenge of a particular activity (except as provided in subsection (b)), an inclusion of a particular activity on, or an issue of a particular activity on, a list for which a notice of public availability has been published under section 2.

(b) Interests Subject to Challenge.—For the purposes of this section, the term “interested party”, with respect to an activity referred to in subsection (a), means the following:

(1) A federal private sector source that—

(A) provides or has the potential to provide, or is in the process of providing, a prospective offeror with information about the activity.

(B) has a direct economic interest in performing the activity that would be adversely affected by a determination not to procure the performance of the activity from such a source.

(c) Public Availability of Lists.—

(1) Publication.—Upon the completion of the review and consultation regarding a list of an executive agency—

(A) the head of the executive agency shall promptly transmit a copy of the list to Congress and make the list available to the public; and

(B) the Director of the Office of Management and Budget shall promptly publish in the Federal Register a notice that the list is available to the public.

(2) Changes.—If the list changes after the publication of the notice as a result of the resolution of an appeal under subsection (c), the head of the executive agency shall—

(A) make such changes available to the public and transmit a copy of the change to Congress; and

(B) publish in the Federal Register a notice that the change is available to the public.

(d) Competition Required.—Within a reasonable time after date on which a notice of the public availability of a list is published under subsection (c), the head of the executive agency concerned shall review the activities on the list for which the executive agency considers contracting with a private sector source for the performance of such activity, the head of the executive agency shall use a competition mechanism to select the source (except as may otherwise be provided in a law other than this Act, an Executive order, regulations, or any Executive branch circular setting forth requirements for competition that is issued by competent executive authorities). The Director of the Office of Management and Budget shall issue guidance for the administration of this subsection.

(e) Realistic and Fair Cost Comparisons.—For the purpose of determining whether to contract with a source in the private sector for the performance of an activity, the head of the executive agency shall review the list on the basis of a comparison of the costs of procuring services from such a source with the costs of performing that activity by the executive agency.
have expressed their support of this legislation. And the Administration and the Federal employee unions, although opposed to the original S. 314, all have indicated they will not object to this legislation.

S. 314 would require Federal agencies to prepare a list of activities that are not inherently governmental functions that are being performed by Federal employees, submit that list to OMB for review, and make the list publicly available. It also would establish an 'appeals' process within each agency to challenge what is on the list or what is not included on the list. S. 314 also would create a statutory definition—identical to current regulation—for what is an "inherently governmental function" that must be performed by the government and not the private sector.

S. 314 adheres to the seven principles the Administration outlined in its testimony to this Committee. It reflects recommendations made by the General Accounting Office in testimony to this and other committees. And it provides a statutory basis for longstanding administrative policy.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The committee amendment was agreed to.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, as amended; that the motion to reconsider be laid upon the table; and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The bill (S. 314) was considered read the third time and passed.

The title was amended as to read:

"A bill (S. 314) to amend the Illegal Immigration and Nationality Act of 1952, to provide a process for identifying the functions of the Federal Government that are not inherently governmental functions, and for other purposes."