Kay was honored as the Brazos County Volunteer-of-the-Year by the Republican Party of Brazos County. Somehow, through it all, she always makes time to be a good friend, wife, mother and confidant to those in need of common-sense advice.

Many citizens who serve in public office in Brazos County, the Texas Legislature and in the halls of the United States Congress owe a great debt to the tireless efforts of Kay Schulze. I am delighted to admit that I would not now be serving my first term in the U.S. House of Representatives representing the Eighth Congressional District of Texas had Kay Schulze not believed in me. For the past two years she had also served on my Texas A & M University Agricultural Intern Selection Committee, interviewing and recommending bright young students who she believes can contribute to serving the constituents of our district.

Kay Schulze is a phenomenal person with a wonderful intellect, an unshakable faith and a very, very good heart. I am proud and blessed to call her my friend.

Recently, I am sad to report, Kay rejoined her family in Ohio as she continues her courageous battle against cancer. But there is no spot on this Earth distant enough to reach beyond the love, thoughts and prayers of her dedicated friends in Texas.

America is a better place today because of Kay Schulze.

NEW GLOBAL ECONOMIC PLAN

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 9, 1998

Mr. PAUL. Global leaders are scurrying around to put together, as quickly as possible, a new plan to solve the international financial crisis.

The world economies have been built on generous credit expansion with each country inflating their currencies at different rates. Additionally, each country has had different political, tax, and regulatory policies leading to various degrees of trust and stability. Economies that have ''enjoyed'' inflationary booms, by their very nature, must undergo a market correction. The market demands deflation of all excesses, while the politicians and special interests agitate for continued credit inflation. Under these circumstances, financial assets may deflate in price but monetary inflation continues and the currency is further depreciated thus putting serious pressure on the dollar; as in the case of the United States.

Fluctuating fiat currencies, no matter how inefficient as compared to a world commodity monetary standard, function solely because exchange rates are allowed to fluctuate and currency movements across borders are freely permitted as capital seeks the most efficient market. This process provides an indication when host countries need to improve monetary and fiscal policy.

A gold standard solves capital flow problems automatically and avoids all currency speculation. Gold prevents excesses from developing to any dangerous level.

Decades ago, the gold standard was abandoned and now our global planners want to take another step to regulate all capital flows throughout the world thus removing the only good indicator left to warn of dangers ahead and the need for sound reform. The rapid transfer of capital around the world is the messenger and not the cause. Killing the messenger will only hide and increase distortions while prolonging the economic pain.

The proposal of the Group of 22 to regulate capital flows through a new ''World Central Bank'' prevents any effort to restore efficient market mechanisms and prevents any serious discussion for using gold as the money of choice.

All money managers in major countries decry currency controls by any individual country yet are now about to embark on a new world-wide approach to regulating all capital flows—a global economic plan to socialize all world credit. But, it won't work because the plan is deeply and inherently flawed.

First, the plan demands additional appropriations to transfer wealth from the richer to the poorer nations through increased funding of the International Monetary Fund, World Bank, Development Bank, and direct foreign aid programs.

Second, it calls for more credit expansion by the richer nations, more loan guarantees, and export-import bank credits and, indirectly, by providing credit to the Exchange Stabilization Fund and possibly to the Bank International Settlements.

Third this plan calls for an international government agreement to strictly control capital flows and mandate debt forgiveness in contrast to allowing countries to default. Controlling swift movements of capital is impossible and any attempt only encourages world government through planning by a world fiat monetary system. Any temporary ''benefit'' can only be achieved through an authoritarian approach to managing the world economy, all done with the pretense of preserving financial stability at the expense of national sovereignty and personal liberty.

Let there be no doubt, the current chaos is being used to promote a new world fiat monetary system while giving political powers to its managers.

Instead, we should be talking about abandoning the paper money system we have lived with for 27 years. It has, after all, brought us the current world-wide financial mess.

Free markets and stable money should be our goal, not further institutionalizing of world economic planning and fiat money at the sacrifice of personal liberty. Indeed, we need a serious discussion of the current crisis but so far no one should be encouraged by the direction in which the Group of 22 is going. Our responsibility here in the Congress is to protect the dollar, not to sit idly by as it's being deliberately devalued.

STARTING TO USE THE NEWLY RATIFIED TREATY AGAINST TORTURE AND OTHER CRUEL, INHUMAN OR DEGRADING TREATMENT OR PUNISHMENT

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 9, 1998

Ms. LEE. Mr. Speaker, I rise to call to the attention of the Honorable Members of the House, and the American people, the recently ratified Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. This is one of the five basic human rights treaties the United States has ratified.

I am following the lead of Congressman RONALD V. DELLUMS, who read into the RECORD important sections of the International Convenant on Civil and Political Rights. It is important that its provisions become part of our thinking and that we carry out our treaty commitments as we build enforcement of human rights law throughout this country at the federal, state and local levels. Our work against torture and other illegal practices in this country will strengthen work against torture in other countries.

This Convention Against Torture entered into force for the United States on October 21st, 1994 with no fanfare or coverage by the media. By ratifying this Convention, the United States made it part of the supreme law of the land under the U.S. Constitution, Article VI, paragraph 2. And the U.S. Government committed itself to take three steps:

1. To publicize the text throughout the nation, including notifying the states to publicize the text at the state and local levels;

2. To prepare a report on ''the measures they have taken to give effect to their undertakings'' under the treaty within one year after its entry into force, and every four years thereafter;

3. To meet with the UN Committee Against Torture after filing each report in order to work toward compliance with all provisions of the Convention in all federal agencies and at the state and local levels.

The treaty describes at length what the United States and all signatory nations must do to stop torture. Article 16 commits each nation to take the same steps to stop cruel, inhuman or degrading treatment or punishment. In order to stop both kinds of practices, the United States made a commitment in Article 10 to ''ensure that education and information regarding the prohibition against torture [and other cruel, inhuman or degrading treatment or punishment] are fully included in the training of law enforcement personnel, . . .'', as I will read in full later.

I am happy to report to the House, and to the American people, that experience with UN human rights treaties is that the reporting process works. Studies show that 32 out of 36 countries have improved their human rights laws after going through the reporting process more than once. The method of enforcement is familiar to many of us: it is the mobilization of shame. The Committee hears from a government, dialogues with officials of that government, makes its report, which it discusses with that government, and then can report its findings to the UN General Assembly.

However, the United States has not yet filed its first report, due Oct. 21, 1995. The second U.S. report will be due Oct. 21, 1999. Each report by the UN Committee Against Torture must mention that the U.S. has not met its treaty obligations to date.

I now offer several pages of excerpts from the Convention. All deletions are marked with. . . . The full treaty is available in International Legal Materials, Volume 23, page 1027 and Volume 24 at p. 535 (1985). Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment

Adopted and opened for signature, ratification and accession by General Assembly resolution 39/46 of 10 December 1984 entry into force 26 June 1987, in accordance with article 27 (1) entry into force for the United States 21 October 1994 (President signed 18 April 1988; see 136 Cong. Rec. S17491–2, October 1, 1990.

The States Parties to this Convention, Considering that, in accordance with the principles proclaimed in the Charter of the United Nations, recognition of the equal and inalienable rights of all members of he human family is the foundation of freedom, justice and peace in the world,

Recognizing that those rights derive from the inherent dignity of the human person, Considering the obligation of States under the Charter, in particular Article 55, to promote universal respect for, and observance of, human rights and fundamental freedoms, Having regard to article 5 of the Universal Declaration of Human Rights and article 7 of the International Covenant on Civil and Political Rights, both of which provide that no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment, . . .

Desiring to make more effective the struggle against torture and other cruel, inhuman or degrading treatment or punishment throughout the world, Have agreed as follows:

PART I

Article 1:1. For the purposes of this Convention, the term ''torture'' means any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person for such purposes as obtaining from him or a third person information or a confession, punishing him for an act he or a third person has committed or is suspected of having committed, or intimidating or coercing him or a third person, or for any reason based on discrimination of any kind, when such pain or suffering is inflicted by or at the instigation of or with the consent or acquiescence of a public official or other person acting in an official capacity. It does not include pain or suffering arising only from, inherent in or incidental to lawful sanctions.

2. This article is without prejudice to any international instrument or national legislation which does or may contain provisions of wider application.

Article 2: 1. Each State Party shall take effective legislative, administrative, judicial or other measures to prevent acts of torture in any territory under its jurisdiction.

2. No exceptional circumstances whatsoever, whether a state of war or a threat of war, internal political in stability or any other public emergency, may be invoked as a justification of torture.

3. An order from a superior officer or a public authority may not be invoked as a justification of torture.

Article 3: 1. No State Party shall expel, return (''refouler'') or extradite a person to another State where there are substantial grounds for believing that he would be in danger of being subjected to torture.

2. For the purpose of determining whether there are such grounds, the competent authorities shall take into account all relevant considerations including, where applicable, the existence in the State concerned of a consistent pattern of gross, flagrant or mass violations of human rights.

Article 4: 1. Each State Party shall ensure that all acts of torture are offences under its criminal law. The same shall apply to an attempt to commit torture and to an act by any person which constitutes complicity or participation in torture.

2. Each State Party shall make these offences punishable by appropriate penalties which take into account their grave nature.

Article 5: 1. Each State party shall take such measures as may be necessary to establish its jurisdiction over the offences referred to in article 4 in the following cases:

(a) When the offences are committed in any territory under its jurisdiction or on board a ship or aircraft registered in that State;

(b) When the alleged offender is a national of that State;

(c) When the victim is a national of that State if that State considers it appropriate.

2. Each State Party shall likewise take such measures as may be necessary to establish its jurisdiction over such offences in cases where the alleged offender is present in any territory under its jurisdiction and it does not extradite him pursuant to article 8 to any of the States mentioned in paragraph I of this article.

3. This Convention does not exclude any criminal jurisdiction exercised in accordance with internal law.

Article 6: 1. Upon being satisfied, after an examination of information available to it, that the circumstances so warrant, any State Party in whose territory a person alleged to have committed any offence referred to in article 4 is present shall take him into custody or take other legal measures to ensure his presence. The custody and other legal measures shall be as provided in the law of that State but may be continued only for such time as is necessary to enable any criminal or extradition proceedings to be instituted.

2. Such State shall immediately make a preliminary inquiry into the facts.

3. Any person in custody pursuant to paragraph I of this article shall be assisted in communicating immediately with the nearest appropriate representative of the State of which he is a national, or, if he is a stateless person, with the representative of the State where he usually resides.

4. When a State, pursuant to this article, has taken a person into custody, it shall immediately notify the States referred to in article 5, paragraph 1, of the fact that such person is in custody and of the circumstances which warrant his detention. The State which makes the preliminary inquiry contemplated in paragraph 2 of this article shall promptly report its findings to the said States and shall indicate whether it intends to exercise jurisdiction.

Article 7:1. The State Party in the territory under whose jurisdiction a person alleged to have committed any offence referred to in article 4 is found shall in the cases contemplated in article 5, if it does not extradite him, submit the case to its competent authorities for the purpose of prosecution.

2. These authorities shall take their decision in the same manner as in the case of any ordinary offence of a serious nature under the law of that State. In the cases referred to in article 5, paragraph 2, the standards of evidence required for prosecution and conviction shall in no way be less stringent than those which apply in the cases referred to in article 5, paragraph 1.

3. Any person regarding whom proceedings are brought in connection with any of the offences referred to in article 4 shall be guaranteed fair treatment at all stages of the proceedings.

Article 8:1. The offences referred to in article 4 shall be deemed to be included as extraditable offences in any extradition treaty existing between States Parties. States Parties undertake to include such offences as extraditable offences in every extradition treaty to be concluded between them.

2. If a State Party which makes extradition conditional on the existence of a treaty receives a request for extradition from another State Party with which it has no extradition treaty, it may consider this Convention as the legal basis for extradition in respect of such offences. Extradition shall be subject to the other conditions provided by the law of the requested State.

3. States Parties which do not make extradition conditional on the existence of a treaty shall recognize such offences as extraditable offences between themselves subject to the conditions provided by the law of the requested State.

4. Such offences shall be treated, for the purpose of extradition between States Parties, as if they had been committed not only in the place in which they occurred but also in the territories of the States required to establish their jurisdiction in accordance with article 5, paragraph 1.

Article 9:1. States Parties shall afford one another the greatest measure of assistance in connection with criminal proceedings brought in respect of any of the offences referred to in article 4, including the supply of all evidence at their disposal necessary for the proceedings. . . .

Article 10:1. Each State Party shall ensure that education and information regarding the prohibition against torture are fully included in the training of law enforcement personnel, civil or military, medical personnel, public officials and other persons who may be involved in the custody, interrogation or treatment of any individual subjected to any form of arrest, detention or imprisonment.

2. Each State Party shall include this prohibition in the rules or instructions issued in regard to the duties and functions of any such person.

Article 11: Each State Party shall keep under systematic review interrogation rules, instructions, methods and practices as well as arrangements for the custody and treatment of persons subjected to any form of arrest, detention or imprisonment in any territory under its jurisdiction, with a view of preventing any cases of torture.

Article 12: Each State Party shall ensure that its competent authorities proceed to a prompt and impartial investigation, wherever there is reasonable ground to believe that an act of torture has been committed in any territory under its jurisdiction.

Article 13: Each State Party shall ensure that any individual who alleges he has been subjected to torture in any territory under its jurisdiction has the right to complain to, and to have his case promptly and impartially examined by, its competent authorities. Steps shall be taken to ensure that the complainant and witnesses are protected against all ill-treatment or intimidation as a consequence of his complaint or any evidence given.

Article 14: 1. Each State Party shall ensure in its legal system that the victim of an act of torture obtains redress and has an enforceable right to fair and adequate compensation, including the means for as full rehabilitation as possible. In the event of the death of the victim as a result of an act of torture, his dependants shall be entitled to compensation.

2. Nothing in this article shall affect any right of the victim or other persons to compensation which may exist under national law.

Article 15: Each State Party shall ensure that any statement which is established to have been made as a result of torture shall not be invoked as evidence in any proceedings, except against a person accused of torture as evidence that the statement was made.

Article 16: 1. Each State Party shall undertake to prevent in any territory under its jurisdiction other acts of cruel, inhuman or degrading treatment or punishment which do

not amount to torture as defined in article I, when such acts are committed by or at the instigation of or with the consent or acquiescence of a public official or other person acting in an official capacity. In particular, the obligations contained in articles 10, 11, 12 and 13 shall apply with the substitution for references to torture of references to other forms of cruel, inhuman or degrading treatment or punishment.

2. The provisions of this Convention are without prejudice to the provisions of any other international instrument or national law which prohibits cruel, inhuman or degrading treatment or punishment or which relates to extradition or expulsion.

PART II

Article 17: 1. There shall be established a Committee against Torture (hereinafter referred to as the Committee) which shall carry out the functions hereinafter provided. The Committee shall consist of ten experts of high moral standing and recognized competence in the field of human rights, who shall serve in their personal capacity. The experts shall be elected by the States Parties, consideration being given to equitable geographical distribution and to the usefulness of the participation of some persons having legal experience.

2. The members of the Committee shall be elected by secret ballot from a list of persons nominated by States Parties. Each State Party may nominate one person from among its own nationals. . . .

3. Elections of the members of the Committee shall be held at biennial meetings of States Parties convened by the Secretary-General of the United Nations. At those meetings, for which two thirds of the States Parties shall constitute a quorum, the persons elected to the Committee shall be those who obtain the largest number of votes and an absolute majority of the votes of the representatives of States Parties present and voting. . . .

5. The members of the Committee shall be elected for a term of four years. They shall be eligible for re-election if renominated. . . .

6. If a member of the Committee dies or resigns or for any other cause can no longer perform his Committee duties, the State Party which nominated him shall appoint another expert from among its nationals to serve for the remainder of his term, subject to the approval of the majority of the States Parties. . . .

7. States Parties shall be responsible for the expenses of the members of the Committee while they are in performance of Committee duties.

Article 18: 1. The Committee shall elect its officers for a term of two years. They may be re-elected.

2. The Committee shall establish its own rules of procedure, but these rules shall provide, inter alia, that:

(a) Six members shall constitute a quorum;

(b) Decisions of the Committee shall be made by a majority vote of the members present.

3. The Secretary-General of the United Nations shall provide the necessary staff and facilities for the effective performance of the functions of the Committee under this Convention.

4. . . . After its initial meeting, the Committee shall meet at such times as shall be provided in its rules of procedure.

5. The States Parties shall be responsible for expenses incurred in connection with the holding of meetings of the States Parties and of the Committee, including reimbursement to the United Nations for any expenses, such as the cost of staff and facilities, incurred by the United Nations pursuant to paragraph 3 of this article.

Article 19: 1. The States Parties shall submit to the Committee, through the Secretary-General of the United Nations, reports on the measures they have taken to give effect to their undertakings under this Convention, within one year after the entry into force of the Convention for the State Party concerned. Thereafter the States Parties shall submit supplementary reports every four years on any new measures taken and such other reports as the Committee may request.

2. The Secretary-General of the United Nations shall transmit the reports to all States Parties.

ON THE REAL STORY ABOUT WORKERS' COMPENSATION FRAUD

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 9, 1998

Mr. KUCINICH. Mr. Speaker, I rise to present the findings of a significant, new report on workers' compensation fraud, prepared for the Injured Workers Bar Association. The report finds that allegations of fraud due to false worker's claims are far out of proportion to their occurrence. I ask that my colleagues consider these findings.

WORKER'S COMPENSATION FRAUD: THE REAL STORY

(Prepared by the Labor Research Association, Greg Tarpinian, executive director)

Executive Summary

Escalating workers' compensation insurance premiums in the late 1980s and early 1990s set off a series of unsubstantiated charges about widespread claimant fraud as a major cost driver in the workers' compensation system. A number of states passed anti-fraud legislation and began to pursue fraud cases and to collect information about fraud on a serious basis. These efforts have uncovered no evidence to support the charges of widespread claimant fraud and, in fact, have revealed that employer fraud is a far larger drain on the system. The misplaced focus on claimant fraud has created an atmosphere of fear and intimidation for injured workers with legitimate claims. It has also distracted policymakers, law enforcement officials and the public from the real fraud problem in workers' compensation: employer fraud.

Dramatic increases in workers' compensation premiums throughout the late 1980's and early 1990's fueled unsubstantiated charges that costs were high in part because workers abused the system, fraudulently collecting benefits for faked injuries or remaining on benefits far longer than their recovery required. The American Insurance Association estimated fraud losses at 10% of the cost of claims paid, or about $3 billion. The National Insurance Crime Bureau doubled the ALA's estimate to $6 billion, even though it was involved in only 99 fraud prosecutions in 1994 and 134 in 1995 nationwide. The Coalition Against Insurance Fraud adopted the AIA's estimate. One insurance company president put the cost of workers' compensation fraud at $30 billion a year. These huge numbers grabbed the attention of the public and policyholders. The presumption in the press and in the state houses was that fraud was rampant and that most workers' compensation fraud was claimant fraud.

Since that time, more than half of the states have passed legislation on workers' compensation fraud, with most of the laws directed primarily at claimants. Thirty-three states currently have active workers' compensation insurance fraud units, many of them geared to fighting claimant fraud. In every state, some claimant fraud has been discovered; publicity about these cases has created a deterrent for workers who might contemplate fraudulent claims. But it has also created an atmosphere that Frederick Hill, California analyst for Firemark Research of New Jersey, describes as the ''unwarranted and anecdotal vilification of the work force.''

In its extensive investigation of workers' compensation fraud, the Santa Rosa Press Democrat concluded that, ''The perception that workers are cashing in by faking or exaggerating injuries has created a climate of mistrust in which every person who is injured and files a claim can become the subject of suspicion by insurance adjusters, doctors and industry lawyers.'' Perhaps most importantly, the fixation on claimant fraud has distracted policymakers, enforcement agencies, and the public from growing evidence of the real problem: millions of dollars in employer and provider fraud.

Fixation on Claimant Fraud

Few experts believe that claimant fraud is a major cost driver in workers' compensation. But some estimates, including those adopted by California Governor Pete Wilson, suggest that fraud accounted for 25% of all employers' workers' compensation costs and 10% of the claims. In California, a wave of legislation in the late 1980s and early 1990s was fueled by allegations from employers that workers' compensation costs were too high and that fraud was rampant in the system. But between 1979 and 1991, insurance carriers in California reported only 532 cases of alleged fraud.

According to the Santa Rosa Press Democrat, ''Some insurance companies saw fraud as a way to explain why premiums were soaring, and politicians and the media jumped on the bandwagon.'' The Press Democrat found that, ''While some insurance companies claim one out of three workers lie about their injuries, or 33%, the actual number of fraud cases sent to prosecutors is less than 1 out of 100, or less than 1%.

In its estimates of fraud within its own state, Kentucky reversed California's estimate of fraud accounting for 10% of claims and 25% of costs, saying that ''as much as 25% of all workers' compensation claims involve some element of fraud, accounting for 10% of paid premium.'' Kentucky then calculated its own fraud losses as $60 million a year. It noted, however, that ''while the extent of the fraud cannot be quantified, there is no doubt that workers' compensation fraud is in the public eye. Reports of fraud . . . are proliferated by the media.''

High workers' compensation costs led to more anti-fraud efforts. The Arkansas legislature created the Workers' Compensation Fraud Investigation Unit in 1993, in response to then-escalating workers' compensation costs. In its first year of operation, the new Fraud Unit opened 116 investigations, leading to 10 claimant fraud prosecutions and five employer fraud prosecutions, and quickly discovered that the employer cases accounted for a large portion of the dollar value involved.

New York's massive 1996 workers' compensation legislation, including its fraud provisions, resulted a directly from employer claims that workers' compensation costs were out of control. New York State Controller H. Carl McCall announced flatly in October of 1997, ''Fraud is a factor in New York's compensation costs.'' A statement from his office made the link between rising costs and the presumption of widespread fraud, stating