we are part of the problem. For sixteen years we have witnessed the destruction of a nation and the loss of millions of lives, ground into dust as the world misses opportunity after opportunity to stop it.●

By Mr. ROBB (for himself, Mr. LAUTENBERG, Mr. CONRAD, Mr. HARKIN, Mr. KENNEDY, Mr. DASCHLE, Mr. REID, Mrs. MURRAY, Mr. LEVIN, Mr. CLELAND, Mr. DODD, Mr. TORRICELLI, Mr. SCHUMER, Mrs. LINCOLN, Mr. JOHNSON, Mr. WELLSTONE, Mr. KERRY, Mr. KERREY, and Mr. AKAKA):

S. 1454. A bill to amend the Internal Revenue Code of 1986 to expand the incentives for the construction and renovation of public schools and to provide tax incentives for corporations to participate in cooperative agreements with public schools in distressed areas; to the Committee on Finance.

PUBLIC SCHOOL MODERNIZATION AND OVERCROWDING RELIEF ACT OF 1999

Mr. ROBB. Mr. President, I have come before this chamber on numerous occasions to urge our colleagues to find a way to give states and localities the additional resources they so urgently need to build and renovate our nation's schools. In January, Senator LAUTENBERG and I, with several other colleagues, introduced the Public School Modernization Act of 1999. In March, Senators LAUTENBERG, HARKIN, and I were successful in offering an amendment to this year's budget resolution which called for $24.8 billion in zero-interest bonds as well as direct grants for school construction and repair. That amendment passed the Senate unanimously. Regrettably the Senate Finance Committee tax bill includes only minimal school infrastructure assistance, despite the opportunity we had in Committee to include much more substantial infrastructure relief.

Proposals regarding school construction have been offered from both sides of the aisle. Unfortunately, however, the debate about education infrastructure needs and the federal role to address those needs has too often been partisan and has been characterized by an inability or an unwillingness to recognize that there is no one-size-fits-all solution to the school construction dilemma facing many of our nation's school districts.

So today, I am pleased to be joined by Senators LAUTENBERG, CONRAD, HARKIN, KENNEDY, DASCHLE, REID, MURRAY, LEVIN, CLELAND, DODD, TORRICELLI, SCHUMER, LINCOLN, JOHNSON, WELLSTONE, KERRY, KERREY, and AKAKA in introducing legislation designed to combine various bipartisan school construction proposals to create a menu of school construction financing options. The Public School Modernization and Overcrowding Relief Act of 1999 will help school districts build new schools to accommodate the record enrollments of elementary and secondary students we know are coming. It will also help modernize schools to ensure that our children have the benefit of modern technology. And it will help repair old schools which have become outdated and unsafe.

Mr. President, 14 million children attend schools in need of extensive repair or replacement. Twelve million attend schools with leaky roofs, and 7 million attend schools with safety code violations. The President of the Maine Education Association testified before the Health, Education, Labor and Pensions Committee recently and stated that there are schools in Maine that actually turn the lights out when it rains because the electrical wiring is exposed under their leaky roofs.

Compounding the safety problem is the significant overcrowding in the nation's schools. Across the country, there are thousands and thousands of trailers used for instruction—over 3,000 are in use in Virginia alone. So instead of attending science class equipped with the latest technology to conduct biology experiments, our children are going to class in poorly-ventilated portable trailers that can actually be harmful to their health.

Mr. President, Loudon County, Virginia will need to build 22 new schools over the next six years to accommodate its enormous population growth. Despite the help that our own Virginia General Assembly has approved, the state will only provide two to three percent of Virginia's total school infrastructure needs. This isn't just a Virginia phenomenon; it's a national crisis. The National Center for Education Statistics estimates that by 2003, the nation will need to build 2,400 new schools to accommodate record enrollments in our elementary and secondary schools.

In short, school boards should not be forced to choose between hiring an additional teacher or fixing a leaky roof. School superintendents should be installing computer labs, not basic air conditioning. And students should attend schools of the future, not relics of the past.

The legislation we offer today will allow school districts to issue tax-exempt bonds for school construction. Localities will be able to save significant amounts of money on capital improvement projects, as the federal government would give bondholders a tax credit in the amount of the interest that the locality would otherwise be required to pay. The legislation also knocks down a statutory hurdle which currently hinders more private sector involvement in public education by allowing private entities to pool resources with states and localities to build and renovate school buildings. Furthermore, if a state or locality has previously issued bonds at a time when interest rates were high, this legislation would allow them to essentially refinance that debt to take advantage of today's lower interest rates. The legislation will also make it easier for small communities to issue a greater number of bonds without being subject to onerous arbitrage requirements. All of these provisions provide states and localities with choices. Under this legislation, our states and localities will be able to avail themselves of those provisions that best suit their financial needs. The bill creates a menu of options through which states and localities can assemble their own financing packages.

Mr. President, as a former governor, I acknowledge that education is primarily a state and local responsibility. The federal government, however, can be a helpful partner in education by helping to defray the cost of capital improvements without interfering with the substantive decisions that states and localities are struggling to make regarding their academic reform efforts. Providing a variety of financing options to fund capital improvements, therefore, is an imminently constructive role for the federal government to play. For our public education system to be the best in the world, all three levels of government—local, state, and federal—will have to work together.

I thank my colleagues who have cosponsored this legislation, and I look forward to working with them to pass it. It's flexible. It's sensible. And it provides the most financing options of any school construction proposal to date. I hope this legislation brings us one step closer to the compromise I know we can reach.

Mr. President, in the 1930's and again in the 1950's, our grandparents and parents summoned the political will to build the vast majority of our nation's existing school buildings. It is my hope that we can summon that will again. Our nation's students and families deserve no less.●

By Mr. ABRAHAM (for himself and Mr. FEINGOLD):

S. 1455. A bill to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes; to the Committee on the Judiciary.

THE COLLEGE SCHOLARSHIP FRAUD PREVENTION ACT OF 1999

Mr. ABRAHAM. Mr. President, I rise today with my colleague from Wisconsin, Senator FEINGOLD, to introduce the College Scholarship Fraud Prevention Act of 1999. This legislation will prevent unscrupulous businesses from defrauding students seeking to finance a college education.

Students in Michigan and across the nation are targeted by corrupt companies preying on their hopes and dreams of a college education. A college diploma is the key that opens the door to many of today's career opportunities, but the reality is that this diploma is becoming more and more expensive to obtain. A number of organizations have sprung up to address this problem, and many of them perform an invaluable

service in providing student financing, or in providing information to students concerning institutions to which those students may apply for financial assistance. Unfortunately, however, a growing number of individuals are turning student need into a scam opportunity, taking financial advantage of students in need of assistance.

Each year, individuals and businesses send thousands of letters out to hopeful students, offering bogus scholarships. The tactics used by these con-artists vary, but they nearly always involve misrepresentation and fraud. Some exclusively use the mails to conduct their illegal activities, while others, like the National Scholarship Foundation have sent hundreds of thousands of postcards to potential college students, encouraging them to call an ''800'' number for ''free money''. Students calling the NSF number were told that they were guaranteed $1000 or more in scholarships if they would pay a $189 processing fee, to be refunded if they did not receive the scholarship. Students sending $189 to the NSF received only general information about the college application process and the costs of a college education—information readily available for free from other sources. NSF never provided refunds.

The Federal Trade Commission has been aware of this growing problem; and we have sought their input while drafting this legislation. In 1996, the FTC initiated ''Project $cholarship-$cam,'' a nationwide crackdown on fraudulent scholarship search services. But although the FTC is dedicated to stopping these con artists, it can only pursue civil remedies; the Justice Department is responsible for prosecuting these scam-artists criminally upon FTC referral, and unfortunately, such prosecutions are a rare occurrence.

Even when the Justice Department does prosecute scholarship scam-artists, the penalties are so light as to provide little deterrent effect. For example, this past May a federal jury in Maryland convicted Christopher Nwaigwe of defrauding more than 50,000 college students of more than $500,000. Mr. Nwaigwe had mailed letters to students announcing scholarship offers of $2,500 to $7,500, in exchange for which students were requested to send Mr. Nwaigwe a $10 processing fee. In reality, after the students sent the check, they waited in vain for a response.

Nwaigwe was ordered by the U.S. Postal Service to stop sending misleading letters in 1993, yet, he chose to ignore this warning and continue to defraud students. In 1996, Nwaigwe was the subject of a civil action in U.S. District Court, in which he was permanently enjoined from using materials to solicit money from students. Yet it was only in May—six years after the first official action taken against him—that he finally faced a jury. And the maximum penalty he faces for his long course of fraudulent conduct is five years' imprisonment and a fine of $250,000—half the dollar amount we know to be the minimum he gained through his fraud.

Mr. President, the rapid spread of scholarship scams such as Christopher Nwaigwe's makes it imperative that we step up prosecutions and impose tougher sentences. My legislation would encourage the Justice Department of pursue and prosecute more scholarship scam-artists, by providing an additional ten years' imprisonment and additional fines in fraud cases which involve the offering of educational services.

In addition, this legislation would improve the FTC's ability to enforce orders for disgorgement and redress to consumers. Senator FEINGOLD and I have been briefed by the FTC on its current problems enforcing judgments, and one particularly offensive example involves an abuse of consumer bankruptcy protections. Often, scholarship scam-artists use their fraudulent gains to buy expensive homes. When hit with disgorgement and redress orders, they file for bankruptcy. And because most states exempt at least a portion of the value of residential property from bankruptcy estates, these con-artists are able to retain their ill-gotten gains in the form of their trophy homes. After the bankruptcy proceeding clears their debts, the scam-artists may then sell their estates, keeping the money they have defrauded from students.

Our legislation would prevent con-artists from using their technique to avoid paying court judgments in this fashion. Residential property exemptions from bankruptcy estimates are intended to aid law-abiding people who find themselves in financial difficulty; they were not meant to help scam-artists launder and protect ill-gotten gains. This legislation takes a cue from Congress' response to the savings and loan crisis, and amends the bankruptcy code so that debts derived from college financial assistance fraud would be excluded from homestead bankruptcy exemptions. Legitimate homeowners will still be protected by the bankruptcy laws. But con-artists will no longer be able to use these laws for their own, fraudulent ends.

In addition to these punitive and deterrent measurers. Mr. President, this legislation also includes measures to help student and their families obtain financing help from legitimate organizations. We need to make it easier for students and their families to differentiate legitimate companies from con-artists. The FTC currently warns students about fraudulent scholarship services; while this is commendable, however, in my view, the larger number of students who visit the Department of Education web site to find out about financing option makes it the logical choice for an anti-scam public relations initiative. To that end, this legislation would call on the Secretary of Education to maintain a web page on the Department's web site listing legitimate sources of scholarship information. To ensure that this web page is not misused by unscrupulous companies and individuals, and other provision would require the Education Department to consult with the FTC before including any name on its list.

No organization would be listed on the web page if it or its operator has been prosecuted by the FTC and convicted of using unfair or deceptive practices. In addition, a business or organization would not be listed if the Department of Education receives a significant number of complaints from students alleging that the business has not in good faith delivered on its promises, or if it is under investigation by the FTC.

Taken together, Mr. President, these provision discouraging fraud disseminating information concerning legitimate sources of scholarship information will help students find the assistance they need to finance a college education. Through this legislation we can fight scholarship scams, put those who would defraud students out of business and increase our Nation's pool of educated workers.

I ask my colleagues for their support, and ask unanimous consent that the bill and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''College Scholarship Fraud Prevention Act of 1999''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) A substantial amount of fraud occurs in the offering of college education financial assistance services to consumers.

(2) Such fraud includes the following:

(A) Misrepresentations regarding the provision of sources from which consumers may obtain financial assistance (including scholarships, grants, loans, tuition, awards, and other assistance) for purposes of financing a college education.

(B) Misrepresentations regarding the provision of portfolios of such assistance tailored to the needs of specific consumers.

(C) Misrepresentations regarding the preselection of students as eligible to receive such assistance.

(D) Misrepresentations that such assistance will be provided to consumers who purchase specified services from specified entities.

(E) Misrepresentations regarding the business relationships between particular entities and entities that award or may award such assistance.

(F) Misrepresentations regarding refunds of processing fees if consumers are not provided specified amounts of such assistance, and other misrepresentations regarding refunds.

SEC. 3. ENHANCED CRIMINAL PENALTIES FOR COLLEGE EDUCATION FINANCIAL SERVICE ASSISTANCE FRAUD.

(a) ENHANCED PENALTIES.—Chapter 63 of title 18, United States Code, is amended by adding at the end the following:

"§ 1348. Enhanced penalties for college education financial service assistance fraud

''(a) IN GENERAL.—A person who is convicted of an offense under section 1341, 1342, or 1343 of this title in connection with the obtaining or providing of any scholarship, grant, loan, tuition, discount, award, or other financial assistance for purposes of financing an education at an institution of higher education shall be fined under this title, imprisoned not more than 10 years, or both.

''(b) OTHER PENALTIES.—Any penalties imposed under this section shall be in addition to any penalties under any of the sections referred to in subsection (a).

''(c) INSTITUTION OF HIGHER EDUCATION DEFINED.—In this section, the term 'institution of higher education' has the meaning given that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that chapter is amended by adding at the end the following:

''1348. Enhanced penalties for college education financial service assistance fraud.''.

SEC. 4. EXCLUSION OF DEBTS RELATING TO COLLEGE FINANCIAL ASSISTANCE SERVICES FRAUD FROM PERMISSIBLE EXEMPTIONS OF PROPERTY FROM ESTATES IN BANKRUPTCY.

Section 522(c) of title 11, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting ''; or''; and

(3) by adding at the end the following:

''(4) a debt in connection with fraud in the obtaining or providing of any scholarship, grant, loan, tuition, discount, award, or other financial assistance for purposes of financing an education at an institution of higher education (as that term is defined in section 101 of the Higher Education Act of 1954 (20 U.S.C. 1001)).''.

SEC. 5. LIST OF BUSINESSES AND ORGANIZATIONS OFFERING COLLEGE EDUCATION FINANCIAL ASSISTANCE SERVICES.

(a) LIST.—The Secretary of Education shall maintain on the Internet web site of the Department of Education a web page that—

(1) lists businesses and organizations that offer financial assistance (including scholarships, grants, loans, tuition, awards, and other assistance) for purposes of financing an education at institutions of higher education; and

(2) provides the Internet web site address of such businesses and organizations.

(b) APPLICATION FOR PLACEMENT ON THE LIST.—A business or organization may apply to the Secretary of Education for placement on the list.

(c) CONSULTATION.—The Secretary of Education shall consult with the Chairman of the Federal Trade Commission in an effort to ensure that a business or organization applying for placement on the list is a legitimate business or organization.

(d) INELIGIBILITY.—A business or organization shall not be listed on the page if—

(1) the business or organization was prosecuted by the Federal Trade Commission and convicted of using an unfair or deceptive act or practice under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) during the 5-year period preceding the submission of an application under subsection (b);

(2) the business or organization is operated by an individual who operated a business or organization that was prosecuted by the Federal Trade Commission and convicted of using an unfair or deceptive act or practice under such Act during the 5-year period preceding the submission of an application under subsection (b);

(3) the Department of Education receives a significant number of complaints, as determined by the Secretary of Education, from students alleging the business or organization has not in good faith delivered on promises made by the business or organization; or

(4) the business or organization is under investigation by the Federal Trade Commission.

THE COLLEGE SCHOLARSHIP FRAUD PREVENTION ACT OF 1999—SECTION-BY-SECTION ANALYSIS

A bill to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes.

SECTION 1: FINDINGS

This section sets out Congressional findings concerning the high level of fraud that occurs in the offering of college education financial assistance services to consumers.

SECTION 2: ENHANCED CRIMINAL PENALTIES FOR COLLEGE EDUCATION FINANCIAL SERVICE DEFINITIONS

This section amends Chapter 63 of Title 18, United States Code by adding a section that provides for a fine, imprisonment for not more than 10 years, or both, for college education financial service assistance fraud.

SECTION 3: EXCLUSION OF DEBTS RELATING TO COLLEGE FINANCIAL ASSISTANCE SERVICES FRAUD FROM PERMISSIBLE EXEMPTIONS OF PROPERTY FROM ESTATES IN BANKRUPTCY

This provision amends Section 522(c) of Title 11 of the United States Code to allow property otherwise exempted in bankruptcy to be subject to disgorgement and redress orders resulting from college financial assistance services fraud.

SECTION 4: LIST OF BUSINESSES AND ORGANIZATIONS OFFERING COLLEGE EDUCATION FINANCIAL ASSISTANCE SERVICES

This section requires the Secretary of Education to maintain a web page listing businesses and organizations offering financial assistance for purposes of financing an education. The section also requires consultation between the Secretary of Education and the Federal Trade Commission to ensure that a listed business is a legitimate offeror of services, and specifies the circumstances under which a business or organization would be ineligible to be listed.

ADDITIONAL COSPONSORS

S. 50

At the request of Mrs. HUTCHISON, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 50, a bill to improve options for excellence in education.

S. 193

At the request of Mrs. BOXER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 193, a bill to apply the same quality and safety standards to domestically manufactured handguns that are currently applied to imported handguns.

S. 345

At the request of Mr. ALLARD, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 391

At the request of Mr. KERREY, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 391, a bill to provide for payments to children's hospitals that operate graduate medical education programs.

S. 514

At the request of Mr. COCHRAN, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 514, a bill to improve the National Writing Project.

S. 676

At the request of Mr. CAMPBELL, the names of the Senator from Tennessee (Mr. FRIST) and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of S. 676, a bill to locate and secure the return of Zachary Baumel, a citizen of the United States, and other Israeli soldiers missing in action.

S. 692

At the request of Mr. KYL, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 692, a bill to prohibit Internet gambling, and for other purposes.

S. 708

At the request of Mr. DEWINE, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 708, a bill to improve the administrative efficiency and effectiveness of the Nation's abuse and neglect courts and the quality and availability of training for judges, attorneys, and volunteers working in such courts, and for other purposes consistent with the Adoption and Safe Families Act of 1997.

S. 1035

At the request of Mr. FEINGOLD, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1035, a bill to establish a program to provide grants to expand the availability of public health dentistry programs in medically underserved areas, health professional shortage areas, and other Federally-defined areas that lack primary dental services.

S. 1070

At the request of Mr. BOND, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1070, a bill to require the Secretary of Labor to wait for completion of a National Academy of Sciences study before promulgating a standard, regulation or guideline on ergonomics.

S. 1110

At the request of Mr. LOTT, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1110, a bill to amend the Public Health Service Act to establish the National Institute of Biomedical Imaging and Engineering.

S. 1144

At the request of Mr. VOINOVICH, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 1144, a bill to provide increased flexibility in use of highway funding, and for other purposes.

S. 1199

At the request of Mr. ASHCROFT, the name of the Senator from Oklahoma