

EARMARKS AND NO-BID  
CONTRACTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

Mr. FLAKE. Madam Speaker, when most people think about earmarks, they think of the silly earmarks that we hear about like the one in the omnibus spending bill that will pass the Senate today, \$1.7 million to combat swine odor in Iowa. And there are a lot of earmarks like that. Or one for the Rock and Roll Hall of Fame, or one for a hippie memorial. That is typically what is on people's minds when they think of earmarks. But today there is a different type of earmark, and it is not your grandfather's earmark. It is something that has really come about in the last several years or really been perfected in the last several years. These earmarks are no-bid contracts to private companies.

Now, when the Federal Government spends money, there are stipulations in how they spend that money. It is very difficult for a Federal agency to award a no-bid contract. If they do, they have to jump through a lot of hoops. There has to be a national security exemption. There have to be other exemptions. It is difficult to do, and gratefully so.

President Obama announced the other day that he is going to try to make sure that there are no more no-bid contracts from Federal agencies. And that is a great move. But what hasn't been talked about are the no-bid earmarks, no-bid contracts that are in the form of earmarks that come from Congress that is congressionally directed no-bid contracts. And what it leads to is what I like to call circular fundraising, and this is what has been the subject of a few of the privileged resolutions that have been offered here in the House in the last couple of days.

What happens is you have money here that Congress has from the U.S. taxpayer. Earmark spending which will be some \$8 billion to \$10 billion this year, goes this way. It goes to the earmark recipient. Say it is a defense contractor. And in this case if a defense contractor is getting a no-bid contract to make some widget for the Navy or for the Army or something else, or to make a shirt or a pair of gloves for our Armed Forces, they will get that contract, a no-bid contract, and then what you will see is money will come right back to the Member of Congress who secured that earmark in the form of a campaign contribution. That is represented by the line that goes around there. And in some cases, in most cases now, those who secure the earmark for a no-bid contract receive campaign contributions from those who they got no-bid contract for.

Oftentimes the earmark recipient will hire a lobbying firm, and that lobbying firm will also make contributions to the Member. And then sometimes the lobbying firm will also have

a PAC, and that PAC will make contributions to the Member. So, in some cases, a Member of Congress will get what could be called the trifecta: They will get regular contributions from the earmark recipient, money from the lobbying firm, and also money from the lobbying firm's PAC.

For one defense contract, say, for a few million dollars, a no-bid contract, sometimes the Member of Congress can receive as much as \$50,000 to \$100,000 for one earmark, for what appears to be for one earmark. By the time the earmark recipient and the lobbying firm and the lobbying firm's PAC contribute to the Member, that is a lot of money that makes it back into the Member of Congress' hands. So what happens? It is easier then to earmark more spending the next year and to do more no-bid contracts.

This is the essence of the privileged resolution that was offered. There is a lobbying firm called PMA that has been raided by the FBI in recent weeks, or we learned of it in recent weeks. That lobbying firm contributed millions and millions of dollars to Members of Congress who had secured earmarks for the client of this lobbying firm. The lobbying firm's PAC had contributed millions and millions of dollars as well to those Members of Congress who secured earmark spending.

Madam Speaker, it simply isn't right for Members of Congress to get a no-bid contract for anyone, let alone those who turn around and contribute money back to that Member. It simply doesn't look right. There may not be a quid pro quo here, but it should not be allowed by the House to happen. The House should set a higher standard. We are charged with upholding the dignity and decorum of the House. And when you have circular fundraising like this happening and investigations swirling around, we simply can't allow this to continue, Madam Speaker.

I hope that the next time a privileged resolution is up that we will all vote to carry it to the Ethics Committee.

COMMEMORATING THE TENTH AN-  
NIVERSARY OF HUNGARY'S AC-  
CESSION TO NATO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, today I rise to commemorate the 10th anniversary of Hungary's accession to NATO. Hungary is the first former Soviet nation, followed soon thereafter by Poland and then the Czech Republic, to join NATO. I stand here today to express gratitude for that historical moment and being given the opportunity to witness it and to recognize Hungary's pioneering commitment to solidarity, freedom, and security.

Despite years of Soviet rule, Hungary maintained a posture that looked both east and west. She became one of the first countries to institute meaningful

political and economic reform after the fall of the Berlin Wall. And during the Cold War, Hungary struggled mightily not to let the door to her people close completely.

The country's exceptional acumen also boasts an impressive mathematical and scientific legacy that includes 13 Nobel Prizes, inventing the BASIC programming language, and even creating Rubik's cube. This is a nation of major measure.

When Hungary joined NATO on March 12, 1999, an enduring relationship was cemented between Hungary, Europe, and the United States. This partnership means more than a military alliance. It marked a rebirth of freedom with an end to oppression by the then Soviet Union. This historic achievement was celebrated from Budapest to Ohio, which boasts the largest Hungarian American population in our country according to the last census. This new era was marked importantly by our congressional district of Toledo that adopted two cities in Hungary, Szeged and its county, Csongrad County.

Hundreds of citizens since 1999 have been involved in cultural, educational, and political exchanges of extraordinary impact. And through the lifelong efforts of major leaders in our community, including now deceased Monsignor Martin Hernady, Ohio Representative Peter Ujvagi, the Hungarian Club of Toledo and its leader Mr. Andy Raikay, Holy Rosary, Calvin United and St. Stephen's Churches, Dr. Elizabeth Balint and Mr. Al Baldwin of the Great Lakes Consortium for International Training and Development, along with the University of Toledo, Bowling Green State University and Lords College, all are working together to build freedom forward.

Because of the new opportunities presented by NATO, the United States and Hungary were able to enrich our friendship. Our Ohio National Guard began an early partnership with the Republic of Hungary for the express purpose of demonstrating through the example of the citizen soldier the proper role of the military in a democratic society. Hungary's rich history, as well as its embrace of a new post-Soviet era governance, sets a strong example for other countries in the region that are still grappling with a meaningful identity as newly independent states. By working with our allies, America continues to nurture democracy and advance political freedoms in Eastern Europe and around the world.

An independent film that I was able to view last year, called Torn From the Flag, which has won all kinds of international awards, traces the history of Hungary from World War II through its current independence. I commend this film to all of our citizenry.

Tonight, I rise to pay tribute to Hungary, our great sister nation in liberty's cause. What a great joy it has been to get to know her people and her traditions in greater measure. And I