

decade, our active duty manpower has been reduced by nearly a third, active Army divisions have been reduced by almost 50 percent, and the number of Navy ships has been reduced from 567 to 316. During this same period, our troops have been involved in 50 military operations worldwide. By comparison, from the end of the Vietnam war in 1975 until 1989, U.S. military forces were engaged in only 20 such military deployments.

In an all-volunteer force, where increasing deployments and operations challenge the capabilities of our military to effectively meet those commitments, as well as challenge the efforts of our military to recruit and retain quality military personnel, we must embrace every opportunity to demonstrate our commitment to our military personnel. The National Defense Authorization Bill for Fiscal Year 2001 sends this important message.

Mr. President, I noted previously in these remarks the important role of the defense authorization bill as a means by which the Armed Services Committee and the Senate address many of the today's important military policy matters. I would like to take a moment to highlight the impact of not passing the National Defense Authorization Bill for Fiscal Year 2001.

With respect to personnel policy, the committee included legislation in the defense authorization bill for fiscal year 2001 to continue to support initiatives to address critical recruiting and retention shortfalls. In this regard, the committee increased compensation benefits and focused on improving military health care for our active duty and retired personnel and their families.

Without this bill, there will be:

No 3.7 percent pay raise for military personnel;

No pharmacy benefit for medicare eligible military retirees;

No extension of TRICARE benefits to active duty family members in remote locations;

No elimination of health care co-pays for active duty family members in TRICARE Prime;

No Thrift Savings Plan for military personnel;

No five year pilot program to permit the Army to test several innovative approaches to recruiting; and

No transit pass benefit for Defense Department commuters in the Washington area.

And, without this bill, the current Department of Defense Medicare subvention demonstration program will not be expanded, as we envisioned, but instead terminated. Currently, the Medicare Subvention demonstration program provides medical services to approximately 28,000 military retirees in Mississippi, Texas, Oklahoma, Colorado, Washington, and Delaware. Expanding the program would provide

medical services to military retirees living in the District of Columbia, Virginia, Ohio, Georgia, Hawaii, and Maryland.

Without this bill, almost every bonus and special pay incentive designed to recruit and retain service members will expire December 31, 2000, including: special pay for health professionals in critically short wartime specialties; special pay for nuclear-qualified officers who extend their service commitment; aviation officer retention bonus; nuclear accession bonus; nuclear career annual incentive bonus; Selected Reserve enlistment bonus; Selected Reserve re-enlistment bonus; special pay for service members assigned to high priority reserve units; Selected Reserve affiliation bonus; Ready Reserve enlistment and re-enlistment bonuses; loan repayment program for health professionals who serve in the Selected Reserve; nurse officer candidate accession program; accession bonus for registered nurses; incentive pay for nurse anesthetists; re-enlistment bonus for active duty personnel; enlistment bonus for critical active duty specialties; and Army enlistment bonuses and the extension of this bonus to the other services.

The committee has carefully studied the recruiting and retention problems in our military. We have worked hard to develop this package to increase compensation and benefits. We believe it will go a long way to recruit new servicemenbers and to provide the necessary incentives to retain mid-career personnel who are critical to the force.

Mr. President, on many occasions I have shared my concerns about the threats posed to our military personnel and our citizens, both at home and abroad, by weapons of mass destruction: chemical, biological, radiological and cyber warfare. Whether these weapons are used on the battlefield or by a terrorist within the United States, we, as a nation, must be prepared.

Without this bill, efforts by the committee to continue to ensure that the DOD is adequately funded and structured to deter and defeat the efforts of those intent on using weapons of mass destruction would not be implemented. Efforts that would not go forward without this bill include: establishing a single point of contact for overall policy and budgeting oversight of the DOD activities for combating terrorism; fully deploying 32 WMD-CST (formerly RAID) teams by the end of fiscal year 2001; the establishment of an Information Security Scholarship Program to encourage the recruitment and retention of Department of Defense personnel with computer and network security skills; and the creation of an Institute for Defense Computer Security and Information Protection to conduct research and critical technology development and to facilitate the exchange of information between the government and the private sector.

Mr. President, I would like to briefly highlight some of the other major initiatives in this bill that would be at risk without Senate floor consideration of the defense authorization bill:

Without this bill, multi-year, cost-saving spending authority for the Bradley Fighting Vehicle and UH-60 "Blackhawk" helicopter would cease.

Without this bill, there would not be a block buy for Virginia Class submarines. Without the block buy, there would be fewer opportunities to save taxpayer dollars by buying components—in a cost-effective manner—for the submarines.

All military construction projects require both authorizations as well as appropriations. Without this bill, over 360 military construction projects and 25 housing projects involving hundreds of critical family housing units would not be started.

The Military Housing Privatization Initiative would expire in February 2001. Without this bill, the program would not be extended for an additional three years, as planned. The military services would not be able to privatize thousands of housing units and correct a serious housing shortage within the Department of Defense.

Mr. President, it has been said that, "Example is the best General Order." The Senate needs to take charge, move out, consider and pass the National Defense Authorization Bill for Fiscal Year 2001. This legislation is important to the nation and to demonstrating to the men and women in uniform, their families and those who have gone before them, our current and continuing support and commitment to them on behalf of a grateful nation.

CONTINUING PROBLEMS FOR FEDERAL LAW ENFORCEMENT DUE TO McDADE LAW

Mr. LEAHY. Mr. President, I rise to talk about a pressing criminal justice problem. The problem stems from a provision slipped into the omnibus appropriations law during the last Congress, without the benefit of any hearings or debate by the Senate. Although some of us from both sides of the aisle objected to the provision at the time, our objections were ignored and the provision became law. It is having devastating effects on federal criminal prosecutions and, as I describe in some detail below, it is no exaggeration to say that this provision is costing lives.

In the last Congress, the omnibus appropriations measure for FY 1999 included a provision originally sponsored by former Representative Joseph McDade that was opposed by most members of the Senate Judiciary Committee, both Democrats and Republicans. Indeed, we sent a joint letter to the leadership of the Appropriations Committee urging that this provision be removed from any conference report

because, in our view, the McDade law "would seriously impair the effectiveness of federal prosecutors in their efforts to enforce federal criminal laws and protect our communities."

Nevertheless, the McDade provision was enacted as part of that appropriations measure and went into effect on April 19, 1999. This law, now codified at 28 U.S.C. §530B, subjects federal prosecutors to the state bar rules, and discipline, of "each State where such attorney engages in that attorney's duties." There has been enormous tension over what ethical standards apply to federal prosecutors and who has the authority to set those standards.

This debate over the ethical rules that apply to federal prosecutors was resolved with the McDade law at a time of heightened public concern over the high-profile investigations and prosecutions conducted by independent counsels. Special prosecutors Kenneth Starr and Donald Smaltz were the "Poster boys" for unaccountable federal prosecutors. By law, those special prosecutors were subject to the ethical guidelines and policies of the Department of Justice. They defended their controversial tactics by claiming to have conducted their investigations and prosecutions in conformity with Departmental policies.

The actions of these special prosecutors provided all the necessary fodder to fuel passage of the McDade law. For example, one of the core complaints the Department had against the McDade law is that federal prosecutors would be subject to restrictive state ethics rules regarding contacts with represented persons. A letter to the Washington Post from the former Chairman of the ABA ethics committee pointed out:

[Anti-contact rules are] designed to protect individuals like Monica Lewinsky, who have hired counsel and are entitled to have all contacts with law enforcement officials go through their counsel. As Ms. Lewinsky learned, dealing directly with law enforcement officials can be intimidating and scary, despite the fact that those inquisitors later claimed it was okay for her to leave at any time.

I have outlined before my concerns about the tactics of these special prosecutors, such as requiring a mother to testify about her daughter's intimate relationships, requiring a bookstore to disclose all the books a person may have purchased, and breaching the longstanding understanding of the relationship of trust between the Secret Service and those it protects. I was appalled to hear a federal prosecutor excuse a flimsy prosecution by announcing after the defendant's acquittal that just getting the indictment was a great deterrent. Trophy watches and television talk show puffery should not be the trappings of prosecutors.

Yet, I opposed the McDade law and continue to believe that this law is not the answer. I firmly support improve-

ments in the disciplinary process for federal prosecutors but this important task may be accomplished without hindering legitimate law enforcement investigative techniques and practices—which is what the McDade law is doing. While subjecting federal attorneys to state bar rules sounds like good policy at first blush, the McDade law has ceded to the vagaries of fifty state bar associations control of how federal prosecutions are to be conducted. I am concerned that Federal prosecutors are being hamstrung because the McDade law makes them answerable to multiple masters.

The Department of Justice has been surprisingly quiet, both before and after the McDade law went into effect, about seeking a legislative modification to address the most devastating consequences of this new law for federal law enforcement. Unfortunately, we are fast approaching the end of this Congress without making any progress on addressing the problems created by the McDade law.

I have asked the Department of Justice for an update on how the McDade law is working, and whether any of my fears were warranted. The results are in: This law has resulted in significant delays in important criminal prosecutions, chilled the use of federally-authorized investigative techniques and posed multiple hurdles for federal prosecutors.

The Justice Department's November, 1999, response to my prior questions on this issue stated that the McDade law "has caused tremendous uncertainty," "delayed investigations," "creat[ed] a rift between agents and prosecutors," "prevented attorneys and agents from taking legitimate, traditionally accepted investigative steps, to the detriment of pending cases," and served as the basis of litigation "to interfere with legitimate federal prosecutions." Yet, these generalities do not fully demonstrate the significant adverse impact this law is continuing to have to slow down or bring to a standstill federal investigations of serious criminal wrongdoing. Let me describe some recent examples.

AIRLINE WHISTLE BLOWER

In one recent case, an airline mechanic whistleblower claimed that his airline was falsely claiming to the FAA that required maintenance procedures had been performed on the airline's planes when in fact they had not been done. The FBI executed a search warrant for documents at the maintenance facility and began simultaneous interviews of the maintenance personnel to determine the validity of the allegations. The airline's attorney immediately interceded, claimed to represent all airline personnel, and halted the interviews. Because of the McDade law, the prosecutor was forced to tell the agents that they could not continue to interview the employees.

Rather than having several agents out interviewing witnesses simultaneously to avoid culpable witnesses from trying to get their stories "straight," the prosecutor then had to resort to an alternative strategy to obtain information from the employees. The prosecutor subpoenaed the witnesses to the grand jury. Unfortunately, the risk of this strategy is that it may play right into the hands of those who are willing to cover up. With the grand jury route, one witness at a time testifies and is then debriefed immediately after by an attorney, who in turn briefs all future witnesses about what questions will be asked and what answers have already been given.

Indeed, the attorney for the airline again claimed to represent everyone who was subpoenaed to testify before the grand jury. The office advised the attorney that he had a conflict doing so, and the attorney then obtained a separate attorney for each witness.

The impact on this investigation was severe. Because the attorney for each witness insisted on a grant of immunity, and because of scheduling conflicts with the various attorneys, the investigation was stalled for many months. When the witnesses finally appeared before the grand jury, they had trouble remembering significant information to the investigation.

After about a year of investigation, one of the airline's planes crashed, with calamitous loss of life.

Immediately after the crash, the FBI received information that the plane had problems on the first leg of its trip. The agents could not go out and interview the airline's employees because of questions raised by the McDade law. Does the corporation have a right to be notified before interviews and to have its counsel present? Are these people represented by the corporate attorney? Thus, those interviews that are most often successful—simultaneous interviews of numerous employees—could not be conducted simply because of fear that an ethical rule—not the law—might result in proceedings against the prosecutor.

CHILD-MURDER INVESTIGATION

A 12-year-old girl was abducted while riding her bicycle near her family home in a Midwestern city in 1989. An exhaustive investigation led by the FBI turned up nothing. In 1996, an apparent eyewitness confessed on his deathbed to the abduction and stated that he had been told by an accomplice that an individual known as "T," who was then in the custody of the state Department of Corrections, had buried the little girl's body in a deep freeze on T's property near a small mid-western city. T admitted to former inmates, to prison nurses and to his grandmother that he was involved in the case. When interviewed by the police, he on one occasion denied any involvement, but later admitted being present when the young girl was killed.

A Federal prosecutor and two FBI agents attempted to meet with T at the county jail. The prosecutor explained that the purpose of the meeting was to obtain T's cooperation; T stated that he wanted to speak to his attorney, and was allowed to speak with his federal public defender from a prior closed case. The federal public defender informed T that he did not represent him, but T then spoke in confidence to the federal defender, who informed the prosecutor that T had no information and did not wish to continue the conversation.

Agents have located an individual who believes that T would confide in him and that he would be willing to assist in attempting to find out from T what had happened to the girl's body. This individual has agreed to a consensually monitored meeting with T.

Because of T's prior representation by the state and federal public defenders, the U.S. Attorney's office contacted the state bar disciplinary counsel concerning whether it could conduct the consensual monitoring. A staff attorney in the bar disciplinary office stated that T was a represented person and that the prosecutors could not make the contact until the public defenders informed T that they no longer represented him and the U.S. Attorney's Office gave T adequate opportunity to retain other counsel.

This advice was given by the State Bar Disciplinary Counsel despite the relevant U.S. Supreme Court and federal appellate case law to the contrary. See *Griffith v. Kentucky*, 479 U.S. 314, 321 n. 6. (1987) (a conviction becomes final when "a judgment of conviction has been rendered, the availability of appeal exhausted, and the time for a petition for certiorari elapsed or a petition for certiorari finally denied"); *United States v. Fitterer*, 710 F.2d 1328 (8th Cir. 1983); *United States v. Dobbs*, 711 F.2d 84 (8th Cir. 1983) (contact with represented persons permitted in the course of pre-indictment criminal investigations).

The Chief Disciplinary Counsel for the State Bar made it clear that he was not bound by judicial determinations, including federal court decisions, other than those made by the State Supreme Court in which he was located. The investigation is currently at a standstill. The prosecutor is considering giving T immunity for his testimony, as a last resort.

OIL SPILL

After leaving the port of a major city, a ship on its way to a foreign country dumped thousands of gallons of fuel oil into the United States coastal waters near the major city. The spill killed wildlife and caused millions of dollars of damage to the coast. The Coast Guard pursued the ship and boarded it in international waters. While the Coast Guard was boarding the ship, the lawyers for the ship's

owners were on the telephone to the ship's captain and to the Coast Guard. They claimed to represent all crew members and prohibited further interviews. The attorneys also told the Captain to direct the crew not to speak to the Coast Guard.

Because of the state ethical rules and the claim that those rules not only prevent AUSA's, but also federal investigative agents from speaking to corporate employees, the prosecutors directed the Coast Guard not to seek further interviews. The ship's crew as then spirited out of the foreign country and were not ever available to testify before the grand jury. No eyewitness to the spill ever materialized.

CLEAN WATER ACT INVESTIGATION

A United States Attorney's office is conducting an ongoing grand jury investigation into allegations that a large corporation violated the Clean Water Act. Certain former employees of this corporation have indicated that they have relevant information and are willing to speak with federal investigators about that information. Notwithstanding their desire to speak to federal investigators, a state case has interpreted the relevant state's ethics rule as prohibiting contact with former as well as current employees of a represented corporation. A federal case has interpreted the same state's ethics rule as permitting contact with former employees.

The state's disciplinary counsel has conveyed his view that only state court decisions construing that state's ethics rule are controlling and that federal case law cannot be relied upon to govern proceedings that are brought solely in federal court.

As a consequence, federal prosecutors may be stymied by a State ethical rule and State court interpretation of that rule from gathering material evidence of a federal crime from willing witnesses.

KICKBACKS AND CONTRACT FRAUD

In *United States v. Talao*, 1998 WL 1114043 (N.D. Cal.), vacated in part by 1998 WL 1114044 (N.D. Cal.), a company's bookkeeper was subpoenaed to testify before the grand jury. Her employers were the subjects of the criminal investigation because they were believed to have failed to pay the prevailing wage on federally funded contracts, falsified payroll records, and demanded illegal kickbacks. The bookkeeper came to the U.S. Attorney's Office the day before the scheduled grand jury appearance and asked to speak to the prosecutor, but the prosecutor was not in.

The next day, when the bookkeeper arrived for her grand jury appearance, she encountered the prosecutor in the hall outside the grand jury room. The bookkeeper agreed to meet with the prosecutor and the case agent, and in a ten minute conversation in a nearby witness room, the bookkeeper told the prosecutor that her employers (the

subjects of the investigation) had pressed her to lie before the grand jury, she was afraid of them, and she did not want the company's lawyer to be in the same room as her or know what she had said in the grand jury, for fear that the attorney would report everything back to the employer.

During this interview, the corporate attorney banged on the witness room door and demanded to be present during the interview; he also asserted the right to be present in the grand jury. The prosecutor asked the bookkeeper whether she wished to speak to the attorney. She said that she did not. The grand jury later indicted the employers for conspiracy, false statements, and illegal kickbacks.

The district judge first ruled that the prosecutor violated the contacts with represented persons rule because there was a pre-existing Department of Labor administrative proceeding and qui tam action (the government had not intervened) and, therefore, the corporation had a right to have its attorney present during any interview of any employee, regardless of the employee's wishes, the status of the corporate managers, or the possibility that the attorney may have a conflict of interest in representing the bookkeeper. The judge referred the AUSA for disciplinary review by the State of California.

Upon rehearing, the judge held that, though the ethical rule violation was intentional, he would withdraw the referral to the state bar. He held that he would instruct the jury to consider the prosecutor's ethical violation in assessing the credibility of the bookkeeper. The government sought a writ of mandamus and that was argued before the Ninth Circuit Court of Appeals on March 15, 2000. The prosecutor has also sought to appeal the district court's misconduct finding.

MONITORED CONVERSATIONS

A common tool of law enforcement authorities who are investigating allegations of criminal and civil violations is to have either a law enforcement agent or a confidential informant (under the direction of a law enforcement agent) act in an undercover capacity. Often, during the course of these undercover investigations, undercover agents and confidential informants engage in a monitored conversation with individuals suspected of illegal conduct. When engaging in such monitored conversations, the law enforcement agent or confidential informant working for the government hides his true identity.

ABA Model Rule 8.4(c) provides that it is misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation. In one jurisdiction—Oregon—bar disciplinary counsel has interpreted the relevant version of this rule to prohibit attorneys not only from authorizing or conducting such consensual recordings but

also from supervising or overseeing undercover investigations themselves, since the very nature of the undercover operation conduct involves deception. Thus, in Oregon, government attorneys may risk violating the ethics rules when they supervise legitimate criminal and civil law enforcement investigations that use investigative methods recognized by courts as lawful.

GRAND JURY INVESTIGATIONS

In a series of existing grand jury investigations, an attorney for a corporation under investigation prevented interviews of corporate employees by federal agents because of the rule governing contacts with represented persons. The following examples took place after the McDade law was passed.

a. In John Doe Corp. #1, as federal agents began to execute a search warrant at a company, the attorney for the corporation announced over the loudspeaker that he represented all of the employees and that no interviews could take place.

b. In John Doe Corp. #2, agents of the U.S. Customs Service executed a search warrant at a computer component manufacturer in a major U.S. city. While executing the warrant at Company A, a lawyer called the prosecutor and claimed to represent all employees at Company A and its subsidiaries. During the search the manager of Company B, a subsidiary of Company A, approached the agents and asked to cooperate, offering to tape conversations with those managers above him who had committed crimes. Because Company B was controlled by Company A, the prosecutor directed the agents not to conduct any undercover meetings or interview the potential witness.

Virtually every investigation involving a corporation is now subject to interference where none existed before.

WHISTLE BLOWER ACTIONS

Increasingly, the government uses its civil enforcement powers under federal statutes to crack down on corporations that engage in health care fraud, defense contractor fraud, and other frauds that cost the government—and the taxpayers—substantial sums of money. One method of pursuing such fraud claims is through *qui tam* suits, which often are initiated by corporate employees seeking to “blow the whistle” on offending companies.

Many states’ ethics rules forbid government attorneys from obtaining relevant information from concerned whistle blowers and corporate “good citizens” without the consent of the counsel that represents the corporation whose conduct is under investigation. This prohibition, which affects criminal investigations as well, presents a particularly acute problem in civil enforcement investigations. Unlike criminal investigations, which sometimes can be conducted in the first instance by law enforcement officers, without the involvement of govern-

ment attorneys (and the restrictions that attorneys’ involvement brings), civil enforcement actions often are investigated directly by the government attorneys themselves, as the resources of federal law enforcement authorities typically are not available for civil enforcement matters.

WE NEED TO FIX THE MCDADE LAW

Due to my serious concerns about the adverse effects of the McDade law on federal law enforcement efforts, I introduced S. 855, the Professional Standards for Government Attorneys Act, on April 21, 1999. The Justice Department states that “S. 855 is a good approach that addresses the two most significant problems caused by the McDade Amendment—confusion about what rule applies and the issue of contacts with represented parties.” (Justice Department Response, dated November 17, 1999, to Written Questions of Senator LEAHY).

Since that time, I have conferred with the Chairman of the Judiciary Committee about crafting an alternative to the McDade law. This alternative would adhere to a basic concern of proponents of the McDade provision: the Department of Justice would not have the authority it has long claimed to write its own ethics rules. The legislation would establish that the Department may not unilaterally exempt federal trial lawyers from the rules of ethics adopted by the federal courts. Federal—not state—courts are the more appropriate body to establish rules of professional responsibility for federal prosecutors, not only because federal courts have traditional authority to establish such rules for federal practitioners generally, but because the Department lacks the requisite objectivity.

The measure would reflect the traditional understanding that when lawyers handle cases before a federal court, they should be subject to the federal court’s rules of professional responsibility, and not to the possibly inconsistent rules of other jurisdictions. But incorporating this ordinary choice-of-law principle, the measure would preserve the federal courts’ traditional authority to oversee the professional conduct of federal trial lawyers, including federal prosecutors. It thus would avoid the uncertainties presented by the McDade provision, which subjects federal prosecutors to state laws, rules of criminal procedure, and judicial decisions that differ from existing federal law.

The measure would also address the most pressing contemporary question of government attorney ethics—namely, the question of which rule should govern government attorneys’ communications with represented persons. It asks the Judicial Conference of the United States to submit to the Supreme Court a proposed uniform national rule to govern this area of pro-

fessional conduct, and to study the need for additional national rules to govern other areas in which the proliferation of local rules may interfere with effective federal law enforcement. The Rules Enabling Act process is the ideal one for developing such rules, both because the federal judiciary traditionally is responsible for overseeing the conduct of lawyers in federal court proceedings, and because this process would best provide the Supreme Court an opportunity fully to consider and objectively to weigh all relevant considerations.

The problems posed to federal law enforcement investigations and prosecutions by the current McDade law are real with real consequences for the health and safety of Americans. I urge the Chairmen of the House and Senate Judiciary Committees, and my other colleagues, to work with me to resolve those problems in a constructive and fair manner.

REMEMBERING THOSE WHO DIED ON D-DAY

Mr. ROBB. Mr. President, as we approach the 56th Anniversary of D-Day, June 6th, 1944, we should pause to reflect on the valor and sacrifice of the men who died on the beaches of Normandy. In the vanguard of the force that landed on that June morning, was the 116th Infantry Regiment, 29th Infantry Division. In 1944 the 116th Infantry Regiment, as it is today, was a National Guard unit mustering at the armory in Bedford, Virginia. They drew their members from a town of only 3,200 people and the rich country in central Virginia nestled in the cool shadows of the Blue Ridge Mountains.

On the morning of June 6th, 1944, Company A led the 116th Infantry Regiment and the 29th Infantry Division ashore, landing on Omaha Beach in the face of withering enemy fire. Within minutes, the company suffered ninety-six percent casualties, to include twenty-one killed in action. Before nightfall, two more sons of Bedford from Companies C and F perished in the desperate fighting to gain a foothold on the blood-soaked beachhead. On D-Day, the town of Bedford, Virginia gave more of her sons to the defense of freedom and the defeat of dictatorship, than any other community (per capita) in the nation. It is fitting that Bedford is home to the national D-Day Memorial. But we must remember that this memorial represents not just a day or a battle—it is a marker that represents individual soldiers like the men of the 116th Infantry Regiment—every one a father, son, or brother. Each sacrifice has a name, held dear in the hearts of a patriotic Virginia town—Bedford.

Mr. President, in memory of the men from Bedford, Virginia who died on June 6th, 1944, I ask unanimous consent that their names be printed in the