

This Week in Washington

Pombo votes to get tougher on CEOs who cheat

Congressman Richard Pombo voted today to toughen penalties against corporate executives who swindle the American public through manipulative accounting and other fraudulent practices. H.R. 5118, the Corporate Fraud Accountability Act of 2002, increases penalties for activities such as mail and wire fraud and provides additional tools to crack down on corporate criminals. The bill was approved by a margin of 391-28.

"If a business goes under because of fraud, those who commit the fraud should not get rich, they should go to jail," Pombo stated. "I am outraged that these common criminals are lining their pockets with money that should belong to employees and investors. It is a travesty that these crooks give good, decent business leaders a bad name."

"Corporate lawyers and accountants who break the law because they care more about profits than people also deserve incarceration," he added. "We should not be putting Wall Street before Main Street."

The bill strengthens laws that criminalize obstruction of justice, such as document shredding, closes loopholes that currently allow corporate officers to use bankruptcy laws to discharge liabilities and requires top corporate executives to certify that financial statements of the company fairly and accurately represent the financial condition of the company.

In April, the House of Representatives approved H.R. 3762, the Pension Security Act, which was designed to enhance retirement security and insist on greater corporate accountability. That legislation, like more than 50 other pieces of legislation approved by the House, remains stalled in the United States Senate.

For more info on legislation the Senate has failed to act on, please visit:

<http://www.freedom.gov/library/economics/dasch50.asp>

Democrat Senator tied to stock scheme

Sen. Jon Corzine, whose Wall Street expertise plays a key role in Democrats' strategy on corporate responsibility, led an investment banking firm that is being accused of inflating stock prices in the 1990s and contributing to the market crash. Senate Majority Leader Tom Daschle lately has kept Mr. Corzine at his side frequently as Democrats call on President Bush to get tougher with corporate executives who fraudulently inflate company earnings to boost stock prices.

But Goldman Sachs, the firm that Mr. Corzine left as chairman in May 1999, has been a target of class-action lawsuits and accusations by a former broker who complained to the Securities and Exchange Commission that the investment house engaged in a scheme to force unwitting investors to pay artificially high prices for certain stocks. Mr. Corzine,

New Jersey Democrat, said he knew nothing about such schemes when he ran the firm from 1994 to 1999.

Nicholas Maier, who was syndicate manager of the Wall Street firm Cramer & Co. from 1996 to 1998, told SEC investigators in the spring that Goldman Sachs routinely forced him to buy stocks at inflated prices if he wanted to purchase shares of an initial public offering (IPO).

"Goldman, from what I witnessed, they were the worst perpetrator," Mr. Maier said. "They totally fueled the [market] bubble. And it's specifically that kind of behavior that has caused the market crash. They built these stocks upon an illegal foundation - manipulated up, and ultimately, it really was the small person who ended up buying in."

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Today in History

0064 - The Great Fire of Rome began.

1913 - Richard "Red" Skelton was born

1914 - Six planes of the U.S. Army helped to form an aviation division called the Signal Corps.

1927 - Ty Cobb set a major league baseball record by getting his 4,000th career hit.

1936 - The first Oscar Meyer Wienermobile rolled out of General Body Company's factory in Chicago, IL.

1944 - U.S. troops captured Saint-Lo, France, ending the battle of the hedgerows.

1944 - Hideki Tojo was removed as Japanese premier and war minister due to setbacks suffered by his country in World War II.

1947 - U.S. President Truman signed the Presidential Succession Act, which placed the Speaker of the House and the Senate President Pro Tempore next in the line of succession after the vice president.

1970 - Ron Hunt of the San Francisco Giants was hit by a pitch for the 119th time in his career.

1971 - New Zealand and Australia announced they would pull their troops out of Vietnam.

2001 - A train derailed, involving 60 cars, in a Baltimore train tunnel. The fire that resulted lasted for six days and virtually closed down downtown Baltimore for several days.

From www.on-this-day.com

This Week in Washington cont.

Homeland Security Strategy

After 8 months of work by the Office of Homeland Security, President Bush released the first National Strategy for Homeland Security. The National Strategy for Homeland Security provides direction to the Federal government departments and agencies; suggests steps that state and local governments, private companies and organizations, and individual Americans can take to improve our security and offers incentives for them to do so; and recommends certain actions to the Congress.

The Strategy, an Executive Summary, and the President's Comments can be found at: <http://www.whitehouse.gov/news/releases/2002/07/20020716-2.html>

The Strategy seeks to answer 4 basic questions:

- What is "homeland security" and what missions does it entail?
- What do we seek to accomplish, and what are the most important goals of home land security?
- What is the federal executive branch doing now to accomplish these goals and what should it do in the future?
- What should non-federal governments, the private sector, and citizens do to help secure the homeland?

Weekly Quote

"You ask, what is our aim? I can answer in one word. It is victory. Victory at all costs - Victory in spite of all terrors - Victory, however long and hard the road may be, for without victory there is no survival."

- Sir Winston Churchill

Wordsmith

fraud

Pronunciation: 'frod

Function: noun

Etymology: Middle English fraude, from Latin fraus

Date: 14th century

1 a : DECEIT, TRICKERY; specifically : intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right b : an act of deceiving or misrepresenting : TRICK
2 a : a person who is not what he or she pretends to be : IMPOSTOR; also : one who defrauds : CHEAT b : one that is not what it seems or is represented to be.

Reprinted from m-w.com

By the Numbers

Wildland fire statistical highlights

Year-to-Date Statistics 1/1/02 - 7/17/02

| | |
|---|-----------|
| Number of Fires | 49,061 |
| 10-Year Average | 49,436 |
| Number of Acres | 3,459,577 |
| 10-Year Average | 1,618,597 |
| 2001 Number of Fires (1/1/01 - 7/17/01) | 46,819 |
| 2001 Number of Acres (1/1/01 - 7/17/01) | 1,380,662 |
| 2000 Number of Fires (1/1/0 - 7/17/00) | 53,697 |
| 2000 Number of Acres (1/1/00 - 7/17/00) | 2,491,450 |
| Year-to-date large fires contained | 383 |

Reprinted from the National Interagency Fire Center

Comments from the District

"I am writing to express my frustration that Congress once again has failed to take action to correct the severe (SBP) inequities affecting thousands of military widows." - **Richard Selleck** - 7/1/02

"Somebody in Congress needs to start asking some pointed questions of the TSA." - **Paul Weber** - 7/9/02

"Will we build up a deficit to pay millions to the victims of every terrorist attack? If the answer is yes, then why not pay millions to the families of the soldiers who have died because of 9-11?" - **Martha Zwierlein** - 7/3/02

"It would be foolish not to have some alternatives to air travel." - **Dennis Allen** - 6/24/02

"Freedom of religion has inspired the persecuted of many different faiths to come to this country." - **Jeri Brewer**

"I'd think after 9/11 it would be a government priority to preserve a diverse transportation system." - **Greg Crawford** - 6/21/02

You can view more comments on Congressman Pombo's web site bulletin board at the link here:
<http://www.house.gov/pombo/board/board2002/board2002.htm>