

Report to New Yorkers from Congresswoman Carolyn Maloney

JUNE 2002

Dear New Yorker,

One of the great scams of our time—now simply known as “Enron”—is unravelling before the courts and Congress, confirming anew the importance of regulatory oversight.

As a senior member of the House Financial Services Committee, I’ve been appalled at what has been revealed in the investigation of Enron: the exposure of a morally bankrupt corporate culture that created a host of schemes to hide losses, inflate profits and benefit insiders at the expense of employees, pensioners, shareholders and taxpayers. I’ve been closely involved in the formulation of a strong legislative response that focuses on protecting individual investors, but sadly the comprehensive reforms that I support have met strong resistance.

On April 24, I voted for legislation (introduced by fellow New York Rep. John LaFalce) that would have created a new public oversight structure for the accounting industry. It would have prohibited a conflict of interest between a stock analyst’s compensation and a company’s investment banking business, as well as require corporate financial disclosures be made available in plain English. Regrettably, that legislation failed in a close vote on the House floor.

A weaker bill passed the House and is now being considered -and hopefully improved- in the Senate. Be sure, as the process moves forward, I will continue to fight for legislation that ensures that investors have access to information they can trust as they make investment decisions. As basic principles, any new law must guarantee that auditors are not under pressure to cook the books because their firm is chasing a consulting contract and that stock analyst ratings can be easily understood by individual investors and reflect their true opinions about the profitability of the companies that they cover.

It’s a start, and certainly an improvement over where we were before; but I will continue the fight for stronger measures to protect investors and taxpayers from the sophisticated kinds of fraud that the word “Enron” represents.

Sincerely,



Carolyn B. Maloney
Member of Congress

As this newsletter goes to press, Israel continues to face the most serious campaign of terrorism in its history—and has defended itself, much as the U.S. has against the threat of Al Qaeda after 9/11. I’m proud to have joined an overwhelming majority of the House expressing solidarity with Israel in its current crisis and urging all parties to pursue vigorously efforts to establish a just and comprehensive peace in the Middle East. (H.Res 392)

Regular mail to House offices is now subject to screening delays. If you would like to reach me quickly about an issue in Washington, the best methods now are e-mail or fax.

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P.S. Since my newsletter is only published a few times a year—please visit my website at www.house.gov/maloney if you’d like the most current information on my work in Congress.

9/11: Recovery aid increased; school aid in question

After months of effort to obtain the \$20 billion pledged by President Bush in the days after 9/11, I was pleased to join President Bush and other members of the state's Congressional Delegation recently to announce that we would receive more than

\$20 billion.

While the aid is critically needed, the process of obtaining it was often difficult and confusing. Over half of the initial \$20 billion authorized by Congress for disaster recovery was directed elsewhere by the Administration and the anticipated aid to the city was delayed indefinitely.

Despite the sometimes rocky process, the announcement of the commitment to provide the required federal aid to New York is tremendous news for New York City's businesses and residents working to overcome the challenges they've faced after the terrorist attacks.

I'm pleased to have worked effectively in Washington to raise awareness about the city's critical and diverse needs after 9/11, from health care coverage and unemployment insurance extensions to needed aid for hospitals and small businesses affected by the attacks.

The latest issue I am working on is recovery aid for New York children. With a victory last month in getting FEMA to agree to help NYU with costs incurred from 9/11, we still face the challenge of getting the city's public school system the help it needs.

The city's public school system is grappling with the costs of make-up days for lost school time after 9/11. After the school system was rebuffed by FEMA in its requests for help, I introduced legislation with upstate New York Rep. John Sweeney to direct federal aid to the schools so that students get the help they need.

Since its introduction, progress is being made. At publication, New York's Senators Chuck Schumer and Hillary Clinton successfully included language modeled on our bill in the Senate's version of the emergency spending bill. In addition, FEMA is showing new signs of cooperation and is making efforts to better respond to the school system's unique situation and address its needs. I intend to work with the New York Delegation to ensure that the final version of the emergency spending bill includes funding for our schools. I am confident that Congress will support these efforts, thereby sending a strong message that the federal government has not forgotten New York City's schoolchildren. A copy of the bill and other material are available at <http://www.house.gov/maloney/issues/nyschools.html>.

Mammograms still recom- mended for women 40 and over

In February, Health and Human Services Secretary Tommy Thompson announced an updated recommendation from the U.S. Preventive Services Task Force (USPSTF) that calls for screening mammography, with or without clinical breast

examination, every one to two years for women ages 40 and over. The National Cancer Institute (NCI) also reaffirmed its support for mammography.

"Mammography remains a strong and important tool in the early detection of breast cancer. The early detection of breast cancer can save lives," Secretary Thompson said.

Breast and cervical cancer exact a terrible toll in New York state: 13,000 women are diagnosed with breast cancer and 900 with cervical cancer every year; approximately 3,200 New Yorkers die of breast cancer and 400 fall victim to cervical cancer annually.

Early detection is the key factor in becoming a survivor; that's why I introduced H.R. 1809, the Cancer Screening Coverage Act, requiring private health plans to cover cancer screenings.

The Breast and Cervical Cancer Treatment Act (P.L. 106-354) was enacted by Congress over a year ago, allowing states to expand their low-income Medicaid programs to provide treatment to un- or under-insured women diagnosed with breast or cervical cancer through federal screening programs. Last December, I joined with 22 other members of the New York Congressional Delegation in urging Governor Pataki and the State Legislature to act expeditiously to take advantage of this life-saving program—and New York has now joined 40 other states enrolled in this program. For more information on cancer and early detection, visit www.house.gov/maloney and www.cancer.gov

Study shows glass ceiling is hardening

In January, along with Congressman John D. Dingell, I released a report titled "*A New Look Through the Glass Ceiling.*" Using data generated by the U.S. General Accounting Office, we showed that female managers were actually losing ground to

their male counterparts. In all ten industries studied, which employ 71% of U.S. women workers and 73% of U.S. women managers, full-time women managers earned less than men in both 1995 and 2000.

Amazingly, in seven of the ten industries, the earnings gap between full-time female and male managers had actually widened in the five years between 1995 and

2000—for example, in the Entertainment and Recreation Services category, women went from making 83¢ on the dollar in 1995 compared with 62¢ on the dollar in 2000. Women fell behind even during the 90's boom; we didn't spread the wealth—we grew the gap!

Other findings were equally discouraging—in industries where women predominate, salaries are lower; female managers often hold positions in less strategic, lower-paying areas. Many women seem to have to choose between being a manager and having children at all—in the ten industries studied, nearly 60% of women managers do not currently have children in the home, while roughly 60% of male managers do.

This study, and others with similar findings, highlights the need for change at the federal, state and local levels. It should also be a wake-up call for corporate America to reassess their employment and promotion practices.

Understanding the dimensions of the glass ceiling reconfirms the value of the Equality Amendment, H.J.Res. 40, also known as the ERA—which I've sponsored since 1997. Its passage would do more than set the tone for equality in the workplace—it would make discrimination on the basis of gender unconstitutional.

The most common argument against the ERA is that women already have equal rights. To read the report and decide for yourself, visit www.house.gov/maloney/issues/womenscaucus/glassceiling.html.

Rape survivors deserve reform of DNA testing

In 1989, Debbie Smith was abducted from her home in Williamsburg, VA, and raped in the woods nearby. It took six and a half years to identify her attacker, due to delays in processing DNA evidence.

Tragically, Mrs. Smith's case is not uncommon. Currently, as many as 500,000 forensic evidence kits may be sitting on the shelves waiting to be processed. What's more, there is no standardization of evidence kits and the majority of nurse examiners processing such kits are not trained in the proper gathering and handling of DNA evidence. Thousands of rape kits are discarded because of mishandling or expiration of the statute of limitations—leaving many rapists on the street, able to attack again.

Late last year, I wrote and introduced the Debbie Smith Act (H.R. 2874) in the House to address these interlinked problems. H.R. 2874 would provide for standardizing evidence collection kits; for funding of sexual assault nurse examiners (SANE) training to ensure DNA evidence is properly handled; and for funding to guarantee processing of DNA samples within ten days.

Sexual assault statistics are horrifying. Every two minutes someone is sexually assaulted in the U.S., according to the Bureau of Justice Statistics' National Crime Survey—and in New York City, rape statistics are up this year, in contrast to the drops in most other assaults. The processing of DNA evidence has only recently become affordable, and this evidence is often more reliable in court than eyewitness accounts from survivors. Each DNA kit that remains untested represents a possible conviction that has slipped from justice. We must ensure that this technology is used as widely as possible.

Student loan interest rate increase averted

Facing increasing deficits resulting from their fiscal policies, the Bush Administration recently proposed raising new revenue for the government by raising the cost of consolidating student loans by \$1.3 billion.

For a student who consolidates \$25,000 in loans, this proposal could have increased the cost of college by as much as \$6,000, by subjecting the new consolidated loan to variable-rate interest.

I joined with colleagues to fight this idea, and together we forced the Administration to back down. If you're holding more than one student loan, you should look into the possibilities of consolidating them into one loan—and one payment—by visiting www.loanconsolidation.ed.gov.

Maloney helps small businesses

In May, the House passed the Defense Authorization Act with provisions from a bill I sponsored along with Reps. Collins, Frank, and Hoekstra (H.R. 1577), which requires Federal Prison Industries (FPI) to compete for Dept. of Defense contracts, thus allowing private businesses a chance to bid for the work.

I've been a leading sponsor of efforts to bring competition to federal contracting since I learned of the problems of Manhattan's Glamour Glove Co., which nearly closed when FPI illegally increased its glove production, costing Glamour Glove 80% of its work. After negotiations with FPI, Glamour Glove stayed in business—and Congress finally recognized the larger issue at stake: taxpaying businesses (employing taxpaying workers) should not be forced to compete with prisoners. I'm proud to have helped protect the hard-working, tax-paying employees of Glamour Glove and small businesses nationwide from unfair FPI competition.



M.C.
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Official Business

Congress of the United States
House of Representatives
Washington, D.C. 20515-3214

Federal funding for Queens and Manhattan announced

I'm pleased to let you know that I was able to secure federal funding for health care and community initiatives in Queens and Manhattan this year:

■ **\$50,000 for SHAREing & CAREing of Queens** to help the

organization develop a comprehensive cancer outreach, education and screening program for medically underserved women. SHAREing & CAREing services are life saving to hundreds of women in Queens.

■ **\$500,000 for an NYU Medical Center study** on the potential causes of high breast cancer rates in neighborhoods along the East River and in Rockland County (secured with the help of Rep. Benjamin Gilman who represents Rockland County). In 2000, it was revealed that Manhattan's East Side and Rockland County are characterized by "elevated incidence" and are 15-50% higher than the state average for breast cancer.

■ **\$450,000 for Mount Sinai's Maternal-Child Health Care Center**, to fund the installation of a new infant security system in the Obstetrics Unit.

■ **\$80,000 for the Variety Boys & Girls Club of Queens** and its T.E.E.N. Society Program, a pregnancy prevention initiative for teenagers. Fewer than 2% of female Variety teen participants become pregnant, versus 22% of girls in many at-risk communities, and I'm delighted to help them continue their good work.

2nd Avenue subway progresses; new LIC ferry proposed

The tragic events of 9/11 underscore the necessity of having multiple routes in and out of lower Manhattan. A full-length Second Avenue Subway would have made the evacuation and return to lower Manhattan far

easier. Unfortunately the draft plan released by the Lower Manhattan Development Corporation (LMDC) omitted any mention of a Second Avenue Subway, and I've written to its Chairman, John Whitehead, to urge him to include the subway in his final plan.

Since the attack on the World Trade Center, ferries have become a new link for commuters to lower Manhattan. In recognition of this, a supplemental appropriation to the 2002 Defense Appropriation (PL 107-117) passed the House and was enacted on January 10, 2002, and included \$100 million for ferry service in New York. The ferry service is part of the LMDC blueprint, has broad support from the city and civic organizations that are interested in the redevelopment of Lower Manhattan and is expected to benefit from this appropriation.

Western Queens residents have always had a long commute to lower Manhattan, but the redevelopment plan for lower Manhattan is likely to provide some relief. One proposal calls for the creation of a new ferry in Long Island City, near Queens West, which will provide a 10-minute ride to the Wall Street area. The ferry is part of a larger proposal to provide intermodal transportation for LIRR passengers to lower Manhattan.