(Mrs. MCCASKILL) was added as a cosponsor of S. 527, a bill to amend the Clean Air act to prohibit the issuance of permits under title V of that Act for certain emissions from agricultural production.

S. 535

At the request of Mr. NELSON of Florida, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 535, a bill to amend title 10, United States Code, to repeal requirement for reduction of survivor annuities under the Survivor Benefit Plan by veterans' dependency and indemnity compensation, and for other purposes.

S. 541

At the request of Mr. DODD, the names of the Senator from New Hampshire (Mr. GREGG) and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of S. 541, a bill to increase the borrowing authority of the Federal Deposit Insurance Corporation, and for other purposes.

S. 546

At the request of Mr. REID, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 546, a bill to amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service of Combat-Related Special Compensation.

S. RES. 60

At the request of Mrs. SHAHEEN, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Florida (Mr. MARTINEZ) were added as cosponsors of S. Res. 60, a resolution commemorating the 10-year anniversary of the accession of the Czech Republic, the Republic of Hungary, and the Republic of Poland as members of the North Atlantic Treaty Organization.

S. RES. 70

At the request of Mr. DURBIN, the name of the Senator from Florida (Mr. MARTINEZ) was added as a cosponsor of S. Res. 70, a resolution congratulating the people of the Republic of Lithuania on the 1000th anniversary of Lithuania and celebrating the rich history of Lithuania.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself, Mr. GRASSLEY, and Mrs. MCCASKILL)

S. 569. A bill to ensure that persons who form corporations in the United States disclose the beneficial owners of those corporations, in order to prevent wrongdoers from exploiting United States corporations for criminal gain, to assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, and other misconduct involving United States corporations, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. LEVIN. Mr. President, I am introducing today, with my colleagues Senator GRASSLEY and Senator MCCASKILL, the Incorporation Transparency and Law Enforcement Assistance Act. This bill tackles a longstanding homeland security problem involving inadequate State incorporation practices that leave this country unnecessarily vulnerable to wrongdoers, hinders law enforcement, and damages the international stature of the United States.

The problem is straightforward. Each year, our States allow persons to form nearly 2 million corporations and limited liability companies in this country without knowing, or even asking, who the beneficial owners are behind those corporations. Right now, a person forming a U.S. corporation or limited liability company, LLC, provides less information to the State than is required to open a bank account or obtain a driver's license. Instead, States routinely permit persons to form corporations and LLCs under State laws without disclosing the names of any of the people who will control or benefit from them.

It is a fact that criminals are exploiting this weakness in our State incorporation practices. They are forming new U.S. corporations and LLCs, and using these entities to commit crimes ranging from drug trafficking, money laundering, tax evasion, financial fraud, and corruption.

Law enforcement authorities investigating these crimes have complained loudly for years about the lack of beneficial ownership information. Last year, for example, the U.S. Department of the Treasury sent a letter to the States stating: ''the lack of transparency with respect to the individuals who control privately held for-profit legal entities created in the United States continues to represent a substantial vulnerability in the U.S. antimoney laundering/counter terrorist financing (AML/CFT) regime. . . . [T]he use of U.S. companies to mask the identity of criminals presents an ongoing and substantial problem . . . for U.S. and global law enforcement authorities.''

Michael Chertoff, former Secretary of the U.S. Department of Homeland Security, wrote the following:

> In countless investigations, where the criminal targets utilize shell corporations, the lack of law enforcement's ability to gain access to true beneficial ownership information slows, confuses or impedes the efforts by investigators to follow criminal proceeds. This is the case in financial fraud, terrorist financing and money laundering investigations. . . . It is imperative that States maintain beneficial ownership information while the company is active and to have a set time frame for preserving those records. . . . Shell companies can be sold and resold to several beneficial owners in the course of a year or less. . . . By maintaining records not only of the initial beneficial ownership but of the subsequent beneficial owners, States will provide law enforcement the tools necessary to clearly identify the individuals who utilized the company at any given period of time.

These types of complaints by U.S. law enforcement, their pleas for assistance, and their warnings about the dangers of anonymous U.S. corporations operating here and abroad are catalogued in a stack of reports and hearing testimony from the Department of Justice, the Department of Homeland Security, the Financial Crimes Enforcement Network of the Department of the Treasury, the Internal Revenue Service, and others.

To add insult to injury, our law enforcement officials have too often had to stand silent when asked by their counterparts in other countries for information about who owns a U.S. corporation committing crimes in their jurisdictions. The reality is that the United States can't answer those requests, because we don't have the information.

Our bill would cure the problem by requiring State incorporation forms to include a request for the names of a corporation's beneficial owners. States would not be required to verify the information, but civil or criminal penalties would apply to persons who submitted false information. If law enforcement issued a subpoena or summons to obtain the ownership information, States would then supply the data contained on its forms.

This bill has received the support of numerous law enforcement associations, including the Federal Law Enforcement Officers Association, the Fraternal Order of Police, the National Association of Assistant United States Attorneys, the National Narcotic Officers' Associations Coalition, the United States Marshals Service Association, and the Association of Former ATF Agents.

The Federal Law Enforcement Officers Association, FLEOA, for example, which represents more than 26,000 Federal law enforcement officers, states that ''the unfortunate lax attitude demonstrated by certain states has enabled large criminal enterprises to exploit those state's flawed filing systems.'' FLEOA goes on:

> We regard corporate ownership in the same manner as we do vehicle ownership. Requiring the driver of a vehicle to have a registration and insurance card is not a violation of their privacy. This information does not need to be published in a Yellow Pages, but it should be available to law enforcement officers who make legally authorized requests pursuant to official investigations.

The National Association of Assistant United States Attorneys, NAAUSA, which represents more than 1,500 Federal prosecutors, urges Congress to take legislative action to remedy inadequate State incorporation practices. NAAUSA states:

> [M]indful of the ease with which criminals establish 'front organizations' to assist in money laundering, terrorist financing, tax

evasion and other misconduct, it is shocking and unacceptable that many State laws permit the creation of corporations without asking for the identity of the corporation's beneficial owners. Your legislation will guard against that from happening, and no longer permit criminals to exploit the lack of transparency in the registration of corporations.

Our bill was also endorsed by President Obama during the last Congress when he was a member of the U.S. Senate and served as an original cosponsor of the predecessor bill, S. 2956.

In 2006, the leading international anti-money laundering body in the world, the Financial Action Task Force on Money Laundering—known as FATF—issued a report criticizing the United States for its failure to comply with a FATF standard requiring countries to obtain beneficial ownership information for the corporations formed under their laws. This standard is one of 40 FATF standards that this country has publicly committed itself to implementing as part of its efforts to promote strong anti-money laundering laws around the world.

FATF gave the United States 2 years, until July 2008, to make progress toward coming into compliance with the FATF standard on beneficial ownership information. That deadline passed long ago, and we have yet to make any real progress. Enacting the bill we are introducing today would bring the United States into compliance with the FATF standard by requiring the States to obtain beneficial ownership information for the corporations formed under their laws. It would ensure that the United States met its international commitment to comply with FATF anti-money laundering standards.

The bill being introduced today is also the product of years of work by the U.S. Senate Permanent Subcommittee on Investigations, which I chair. As long ago as 2000, the Government Accountability Office, GAO, at my request, conducted an investigation and released a report entitled, ''Suspicious Banking Activities: Possible Money Laundering by U.S. Corporations Formed for Russian Entities.'' This report revealed that one person was able to set up more than 2,000 Delaware shell corporations and, without disclosing the identity of the beneficial owners, open U.S. bank accounts for those corporations, which then collectively moved about $1.4 billion through the accounts. It is one of the earliest government reports to give some sense of the law enforcement problems caused by U.S. corporations with unknown owners. It sounded the alarm years ago but to little avail.

In April 2006, in response to a Subcommittee request, GAO released a second report entitled, ''Company Formations: Minimal Ownership Information Is Collected and Available,'' which reviewed the corporate formation laws in all 50 States. GAO disclosed that the vast majority of the States do not collect any information at all on the beneficial owners of the corporations and LLCs formed under their laws. The report also found that many States have established automated procedures that allow a person to form a new corporation or LLC within the State within 24 hours of filing an online application without any prior review of that application by a State official. In exchange for a substantial fee, at least two States will form a corporation or LLC within one hour of a request. After examining these State incorporation practices, the GAO report described the problems that the lack of beneficial ownership information has caused for a range of law enforcement investigations.

In November 2006, our subcommittee held a hearing further exploring this issue. At that hearing, representatives of the U.S. Department of Justice, DOJ, the Internal Revenue Service, IRS, and the Department of Treasury's Financial Crimes Enforcement Network, FinCEN, testified that the failure of States to collect adequate information on the beneficial owners of the legal entities they form has impeded Federal efforts to investigate and prosecute criminal acts such as terrorism, money laundering, securities fraud, and tax evasion. At the hearing, DOJ testified:

> We had allegations of corrupt foreign officials using these [U.S.] shell accounts to launder money, but were unable—due to lack of identifying information in the corporate records—to fully investigate this area.

The IRS testified:

> Within our own borders, the laws of some states regarding the formation of legal entities have significant transparency gaps which may even rival the secrecy afforded in the most attractive tax havens.

FinCEN identified 768 incidents of suspicious international wire transfer activity involving U.S. shell companies.

In addition, in a list of the ''Dirty Dozen'' tax scams in 2007, the IRS highlighted shell companies with unknown owners as number four on the list, as follows:

> 4. Disguised Corporate Ownership: Domestic shell corporations and other entities are being formed and operated in certain states for the purpose of disguising the ownership of the business or financial activity. Once formed, these anonymous entities can be, and are being, used to facilitate underreporting of income, non-filing of tax returns, listed transactions, money laundering, financial crimes and possibly terrorist financing. The IRS is working with state authorities to identify these entities and to bring their owners into compliance.

That is not all. Dozens of Internet websites advertising corporate formation services highlight the fact that some of our States allow corporations to be formed under their laws without asking for the identity of the beneficial owners. These Web sites explicitly point to anonymous ownership as a reason to incorporate within the United States, and often list certain States alongside notorious offshore jurisdictions as preferred locations for the formation of new corporations, essentially providing an open invitation for wrongdoers to form entities within the United States.

One Web site, for example, set up by an international incorporation firm, advocates setting up companies in Delaware by saying: ''DELAWARE—An Offshore Tax Haven for Non U.S. Residents.'' It cites as one of Delaware's advantages that: ''Owners' names are not disclosed to the state.'' Another Web site, from a U.K. firm called ''formacompanyoffshore.com,'' lists the advantages to incorporating in Nevada. Those advantages include: ''No I.R.S. Information Sharing Agreement'' and ''Stockholders are not on Public Record allowing complete anonymity.''

Despite this type of advertising, years of law enforcement complaints, and mounting evidence of abuse, many of our States are reluctant to admit there is a problem with establishing U.S. corporations and LLCs with unknown owners. Too many of our States are eager to explain how quick and easy it is to set up corporations within their borders, without acknowledging that those same quick and easy procedures enable wrongdoers to utilize U.S. corporations in a variety of crimes and tax dodges both here and abroad.

Since 2006, the subcommittee has worked with the States to encourage them to recognize the homeland security problem they have created and to come up with their own solution. After the subcommittee's hearing on this issue, for example, the National Association of Secretaries of State, NASS, convened a 2007 task force to examine state incorporation practices. At the request of NASS and several States, I delayed introducing legislation while they worked on a proposal to require the collection of beneficial ownership information. My subcommittee staff participated in multiple conferences, telephone calls, and meetings; suggested key principles; and provided comments to the task force.

In July 2007, the NASS task force issued a proposal. Rather than cure the problem, however, the proposal was full of deficiencies, leading the Treasury Department to state in a letter that the NASS proposal ''falls short'' and ''does not fully address the problem of legal entities masking the identity of criminals.''

Among other shortcomings, the NASS proposal does not require States to obtain the names of the natural individuals who would be the beneficial owners of a U.S. corporation or LLC. Instead, it would allow States to obtain a list of a company's ''owners of record'' who can be, and often are, offshore corporations or trusts. The NASS proposal also doesn't require the States themselves to maintain the beneficial ownership information, or to supply it to law enforcement upon receipt of a subpoena or summons. The proposal also fails to require the beneficial ownership information to be updated over time. These and other flaws in the proposal have been identified by the

Treasury Department, the Department of Justice, me, and others, but NASS has given no indication that the flaws will be corrected.

It is deeply disappointing that the States, despite the passage of more than 1 year, were unable to devise an effective proposal. Part of the difficulty is that the States have a wide range of practices, differ on the extent to which they rely on incorporation fees as a major source of revenue, and differ on the extent to which they attract non-U.S. persons as incorporators. In addition, the States are competing against each other to attract persons who want to set up U.S. corporations, and that competition creates pressure for each individual State to favor procedures that allow quick and easy incorporations. It is a classic case of competition causing a race to the bottom, making it difficult for any one State to do the right thing and request the names of beneficial owners.

That is why we are introducing Federal legislation today. Federal legislation is needed to level the playing field among the States, set minimum standards for obtaining beneficial ownership information, put an end to the practice of States forming millions of legal entities each year without knowing who is behind them, and bring the United States into compliance with its international commitments.

The bill's provisions would require the States to obtain a list of the beneficial owners of each corporation or LLC formed under their laws, to maintain this information for 5 years after the corporation is terminated, and to provide the information to law enforcement upon receipt of a subpoena or summons. If enacted, this bill would ensure, for the first time, that law enforcement seeking beneficial ownership information from a State about one of its corporations or LLCs would not be turned away empty-handed.

The bill would also require corporations and LLCs to update their beneficial ownership information in an annual filing with the State of incorporation. If a State did not require an annual filing, the information would have to be updated each time the beneficial ownership changed.

In the special case of U.S. corporations formed by non-U.S. persons, the bill would go farther. Following the lead of the Patriot Act which imposed additional due diligence requirements on certain financial accounts opened by non-U.S. persons, our bill would require additional due diligence for corporations beneficially owned by non-U.S. persons. This added due diligence would have to be performed—not by the States—but by the persons seeking to establish the corporations. These incorporators would have to file with the State a written certification from a corporate formation agent residing within the State attesting to the fact that the agent had verified the identity of the non-U.S. beneficial owners of the corporation by obtaining their names, addresses, and passport photographs. The formation agent would be required to retain this information for a specified period of time and produce it upon request.

The bill would not require the States to verify the ownership information provided to them by a formation agent, corporation, LLC, or other person filing an incorporation application. Instead, the bill would establish Federal civil and criminal penalties for anyone who knowingly provided a State with false beneficial ownership information or intentionally failed to provide the State with the information requested.

The bill would also exempt certain corporations from the disclosure obligation. For example, it would exempt all publicly traded corporations and the entities they form, since these corporations are already overseen by the Security and Exchange Commission. It would also allow the States, with the written concurrence of the Homeland Security Secretary and the U.S. Attorney General, to identify certain corporations, either individually or as a class, which would not have to list their beneficial owners, if requiring such ownership information would not serve the public interest or assist law enforcement in their investigations. These exemptions are expected to be narrowly drawn and used sparingly, but are intended to provide the States and Federal law enforcement added flexibility to fine-tune the disclosure obligation and focus it where it is most needed to stop crime, tax evasion, and other wrongdoing.

Another area of flexibility in the bill involves privacy issues. The bill deliberately does not take a position on the issue of whether the States should make the beneficial ownership information they receive available to the public. Instead, the bill leaves it entirely up to the States to decide whether and under what circumstances to make beneficial ownership information available to the public. The bill explicitly permits the States to place restrictions on providing beneficial ownership information to persons other than government officials. The bill focuses instead on ensuring that law enforcement and Congress, provided they are equipped with a subpoena or summons, are given ready access to the beneficial ownership information collected by the States.

To ensure that the States have the funds needed to meet the new beneficial ownership information requirements, the bill makes it clear that States can use their DHS state grant funds for this purpose. Every State is guaranteed a minimum amount of DHS grant funds every year and may receive funds substantially above that minimum. Every State will be able to use all or a portion of these funds to modify their incorporation practices to meet the requirements in the act. The bill also authorizes DHS to use appropriated funds to carry out its responsibilities under the act. These provisions will ensure that the States have the funds needed for the modest compliance costs involved with amending their incorporation forms to request the names of beneficial owners.

It is common for bills establishing Federal standards to seek to ensure State action by making some Federal funding dependent upon a State's meeting the specified standards. This bill, however, states explicitly that nothing in the bill authorizes DHS to withhold funds from a State for failing to modify its incorporation practices to meet the beneficial ownership information requirements in the act. Instead, the bill simply calls for a GAO report in 2013 to identify which States, if any, have failed to strengthen their incorporation practices as required by the act. After getting this status report, a future Congress can decide what steps to take, including whether to reduce any DHS funding going to the noncompliant States.

Finally, the bill would require the U.S. Department of the Treasury to issue a rule requiring formation agents to establish anti-money laundering programs to ensure they are not forming U.S. corporations or LLCs for criminals or other wrongdoers. GAO would also be asked to conduct a study of existing State formation procedures for partnerships and trusts.

We have worked hard to craft a bill that would address, in a fair and reasonable way, the homeland security problem created by States allowing the formation of millions of U.S. corporations and LLCs with unknown owners. What the bill comes down to is a simple requirement that States change their incorporation applications to add a question requesting the names and addresses of the prospective beneficial owners. That is not too much to ask to protect this country and the international community from wrongdoers seeking to misuse U.S. corporations and to help law enforcement stop those wrongdoers.

For those who say that, if the United States tightens its incorporation rules, new companies will be formed elsewhere, it is appropriate to ask exactly where they will go. Every country in the European Union is already required to get beneficial information for the corporations formed under their laws. Most offshore jurisdictions already request this information as well, including the Bahamas, Cayman Islands, Jersey, and the Island of Man. Our States should be asking for the same ownership information, but they don't, and there is no indication that they will any time in the near future, unless required to do so.

I wish Federal legislation weren't necessary. I wish the States could solve this homeland security problem on their own, but ongoing competitive pressures make it unlikely that the States will reach agreement. It has been more than 2 years since our 2006 hearing with no real progress to show for it, despite repeated pleas from law enforcement.

Federal legislation is necessary to reduce the vulnerability of the United States to wrongdoing by U.S. corporations with unknown owners, to protect interstate and international commerce from criminals misusing U.S. corporations, to strengthen the ability of law enforcement to investigate suspect U.S. corporations, to level the playing field among the States, and to bring the United States into compliance with its international anti-money laundering obligations.

There is also an issue of consistency. For years, I have been fighting offshore corporate secrecy laws and practices that enable wrongdoers to secretly control offshore corporations involved in money laundering, tax evasion, and other misconduct. I have pointed out on more than one occasion that corporations were not created to hide ownership, but to shield owners from personal liability for corporate acts. Unfortunately, today, the corporate form has too often been corrupted into serving those wishing to conceal their identities and commit crimes or dodge taxes without alerting authorities. It is past time to stop this misuse of the corporate form. But if we want to stop inappropriate corporate secrecy offshore, we need to stop it here at home as well.

For these reasons, I urge my colleagues to support this legislation and put an end to incorporation practices that promote corporate secrecy and render the United States and other countries vulnerable to abuse by U.S. corporations with unknown owners.

As I mentioned earlier, in the 110th Congress, then-Senator Obama was an original cosponsor of this legislation. I look forward to working with President Obama to ensure this homeland security bill is enacted into law.

I thank my cosponsor, Senator GRASSLEY, who has been such a leader in this effort for so long, as he has in so many other good government initiatives. I also thank Senator MCCASKILL for her cosponsorship.

Mr. President, I ask unanimous consent that the text of the bill and a bill summary be printed in the RECORD.

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

S. 569

*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 ''Incorporation Transparency and Law Enforcement Assistance Act''.

**SEC. 2. FINDINGS.**

Congress finds the following:

(1) Nearly 2,000,000 corporations and limited liability companies are being formed under the laws of the States each year.

(2) Very few States obtain meaningful information about the beneficial owners of the corporations and limited liability companies formed under their laws.

(3) A person forming a corporation or limited liability company within the United States typically provides less information to the State of incorporation than is needed to obtain a bank account or driver's license and typically does not name a single beneficial owner.

(4) Criminals have exploited the weaknesses in State formation procedures to conceal their identities when forming corporations or limited liability companies in the United States, and have then used the newly created entities to commit crimes affecting interstate and international commerce such as terrorism, drug trafficking, money laundering, tax evasion, securities fraud, financial fraud, and acts of foreign corruption.

(5) Law enforcement efforts to investigate corporations and limited liability companies suspected of committing crimes have been impeded by the lack of available beneficial ownership information, as documented in reports and testimony by officials from the Department of Justice, the Department of Homeland Security, the Financial Crimes Enforcement Network of the Department of the Treasury, the Internal Revenue Service, and the Government Accountability Office, and others.

(6) In July 2006, a leading international anti-money laundering organization, the Financial Action Task Force on Money Laundering (in this section referred to as the ''FATF''), of which the United States is a member, issued a report that criticizes the United States for failing to comply with a FATF standard on the need to collect beneficial ownership information and urged the United States to correct this deficiency by July 2008.

(7) In response to the FATF report, the United States has repeatedly urged the States to strengthen their incorporation practices by obtaining beneficial ownership information for the corporations and limited liability companies formed under the laws of such States.

(8) Many States have established automated procedures that allow a person to form a new corporation or limited liability company within the State within 24 hours of filing an online application, without any prior review of the application by a State official. In exchange for a substantial fee, 2 States will form a corporation within 1 hour of a request.

(9) Dozens of Internet websites highlight the anonymity of beneficial owners allowed under the incorporation practices of some States, point to those practices as a reason to incorporate in those States, and list those States together with offshore jurisdictions as preferred locations for the formation of new corporations, essentially providing an open invitation to criminals and other wrongdoers to form entities within the United States.

(10) In contrast to practices in the United States, all countries in the European Union are required to identify the beneficial owners of the corporations they form.

(11) To reduce the vulnerability of the United States to wrongdoing by United States corporations and limited liability companies with unknown owners, to protect interstate and international commerce from criminals misusing United States corporations and limited liability companies, to strengthen law enforcement investigations of suspect corporations and limited liability companies, to set minimum standards for and level the playing field among State incorporation practices, and to bring the United States into compliance with its international anti-money laundering obligations, Federal legislation is needed to require the States to obtain beneficial ownership information for the corporations and limited liability companies formed under the laws of such States.

**SEC. 3. TRANSPARENT INCORPORATION PRACTICES.**

(a) TRANSPARENT INCORPORATION PRACTICES.—

(1) IN GENERAL.—Subtitle A of title XX of the Homeland Security Act of 2002 (6 U.S.C. 601 et seq.) is amended by adding at the end the following:

**''SEC. 2009. TRANSPARENT INCORPORATION PRACTICES.**

''(a) INCORPORATION SYSTEMS.—

''(1) IN GENERAL.—To protect the security of the United States, each State that receives funding from the Department under section 2004 shall, not later than the beginning of fiscal year 2012, use an incorporation system that meets the following requirements:

''(A) Each applicant to form a corporation or limited liability company under the laws of the State is required to provide to the State during the formation process a list of the beneficial owners of the corporation or limited liability company that—

''(i) identifies each beneficial owner by name and current address; and

''(ii) if any beneficial owner exercises control over the corporation or limited liability company through another legal entity, such as a corporation, partnership, or trust, identifies each such legal entity and each such beneficial owner who will use that entity to exercise control over the corporation or limited liability company.

''(B) Each corporation or limited liability company formed under the laws of the State is required by the State to update the list of the beneficial owners of the corporation or limited liability company by providing the information described in subparagraph (A)—

''(i) in an annual filing with the State; or

''(ii) if no annual filing is required under the law of that State, each time a change is made in the beneficial ownership of the corporation or limited liability company.

''(C) Beneficial ownership information relating to each corporation or limited liability company formed under the laws of the State is required to be maintained by the State until the end of the 5-year period beginning on the date that the corporation or limited liability company terminates under the laws of the State.

''(D) Beneficial ownership information relating to each corporation or limited liability company formed under the laws of the State shall be provided by the State upon receipt of—

''(i) a civil or criminal subpoena or summons from a State agency, Federal agency, or congressional committee or subcommittee requesting such information; or

''(ii) a written request made by a Federal agency on behalf of another country under an international treaty, agreement, or convention, or section 1782 of title 28, United States Code.

''(2) NON-UNITED STATES BENEFICIAL OWNERS.—To further protect the security of the United States, each State that accepts funding from the Department under section 2004 shall, not later than the beginning of fiscal year 2012, require that, if any beneficial owner of a corporation or limited liability company formed under the laws of the State is not a United States citizen or a lawful permanent resident of the United States, each application described in paragraph (1)(A) and each update described in paragraph (1)(B) shall include a written certification by a formation agent residing in the State that the formation agent—

''(A) has verified the name, address, and identity of each beneficial owner that is not a United States citizen or a lawful permanent resident of the United States;

''(B) has obtained for each beneficial owner that is not a United States citizen or a lawful permanent resident of the United States a copy of the page of the government-issued passport on which a photograph of the beneficial owner appears;

''(C) will provide proof of the verification described in subparagraph (A) and the photograph described in subparagraph (B) upon request; and

''(D) will retain information and documents relating to the verification described in subparagraph (A) and the photograph described in subparagraph (B) until the end of the 5-year period beginning on the date that the corporation or limited liability company terminates, under the laws of the State.

''(b) PENALTIES FOR FALSE BENEFICIAL OWNERSHIP INFORMATION.—In addition to any civil or criminal penalty that may be imposed by a State, any person who affects interstate or foreign commerce by knowingly providing, or attempting to provide, false beneficial ownership information to a State, by intentionally failing to provide beneficial ownership information to a State upon request, or by intentionally failing to provide updated beneficial ownership information to a State—

''(1) shall be liable to the United States for a civil penalty of not more than $10,000; and

''(2) may be fined under title 18, United States Code, imprisoned for not more than 3 years, or both.

''(c) FUNDING AUTHORIZATION.—To carry out this section—

''(1) a State may use all or a portion of the funds made available to the State under section 2004; and

''(2) the Administrator may use funds appropriated to carry out this title, including unobligated or reprogrammed funds, to enable a State to obtain and manage beneficial ownership information for the corporations and limited liability companies formed under the laws of the State, including by funding measures to assess, plan, develop, test, or implement relevant policies, procedures, or system modifications.

''(d) STATE COMPLIANCE REPORT.—Nothing in this section authorizes the Administrator to withhold from a State any funding otherwise available to the State under section 2004 because of a failure by that State to comply with this section. Not later than June 1, 2013, the Comptroller General of the United States shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report identifying which States are in compliance with this section and, for any State not in compliance, what measures must be taken by that State to achieve compliance with this section.

''(e) DEFINITIONS.—In this section:

''(1) BENEFICIAL OWNER.—The term 'beneficial owner' means an individual who has a level of control over, or entitlement to, the funds or assets of a corporation or limited liability company that, as a practical matter, enables the individual, directly or indirectly, to control, manage, or direct the corporation or limited liability company.

''(2) CORPORATION; LIMITED LIABILITY COMPANY.—The terms 'corporation' and 'limited liability company'—

''(A) have the meanings given such terms under the laws of the applicable State;

''(B) do not include any business concern that is an issuer of a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781) or that is required to file reports under section 15(d) of that Act (15 U.S.C. 78o(d)), or any corporation or limited liability company formed by such a business concern;

''(C) do not include any business concern formed by a State, a political subdivision of a State, under an interstate compact between 2 or more States, by a department or agency of the United States, or under the laws of the United States; and

''(D) do not include any individual business concern or class of business concerns which a State, after obtaining the written concurrence of the Administrator and the Attorney General of the United States, has determined in writing should be exempt from the requirements of subsection (a), because requiring beneficial ownership information from the business concern would not serve the public interest and would not assist law enforcement efforts to detect, prevent, or punish terrorism, money laundering, tax evasion, or other misconduct.

''(3) FORMATION AGENT.—The term 'formation agent' means a person who, for compensation, acts on behalf of another person to assist in the formation of a corporation or limited liability company under the laws of a State.''.

(2) TABLE OF CONTENTS.—The table of contents in section 1 of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by inserting after the item relating to section 2008 the following:

''Sec. 2009. Transparent incorporation practices.''.

(b) EFFECT ON STATE LAW.—

(1) IN GENERAL.—This Act and the amendments made by this Act do not supersede, alter, or affect any statute, regulation, order, or interpretation in effect in any State, except where a State has elected to receive funding from the Department of Homeland Security under section 2004 of the Homeland Security Act of 2002 (6 U.S.C. 605), and then only to the extent that such State statute, regulation, order, or interpretation is inconsistent with this Act or an amendment made by this Act.

(2) NOT INCONSISTENT.—A State statute, regulation, order, or interpretation is not inconsistent with this Act or an amendment made by this Act if such statute, regulation, order, or interpretation—

(A) requires additional information, more frequently updated information, or additional measures to verify information related to a corporation, limited liability company, or beneficial owner, than is specified under this Act or an amendment made by this Act; or

(B) imposes additional limits on public access to the beneficial ownership information obtained by the State than is specified under this Act or an amendment made by this Act.

**SEC. 4. ANTI-MONEY LAUNDERING OBLIGATIONS OF FORMATION AGENTS.**

(a) ANTI-MONEY LAUNDERING OBLIGATIONS OF FORMATION AGENTS.—Section 5312(a)(2) of title 31, United States Code, is amended—

(1) in subparagraph (Y), by striking ''or'' at the end;

(2) by redesignating subparagraph (Z) as subparagraph (AA); and

(3) by inserting after subparagraph (Y) the following:

''(Z) any person involved in forming a corporation, limited liability company, partnership, trust, or other legal entity; or''.

(b) DEADLINE FOR ANTI-MONEY LAUNDERING RULE FOR FORMATION AGENTS.—

(1) PROPOSED RULE.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Attorney General of the United States, the Secretary of Homeland Security, and the Commissioner of the Internal Revenue Service, shall publish a proposed rule in the Federal Register requiring persons described in section 5312(a)(2)(Z) of title 31, United States Code, as amended by this section, to establish anti-money laundering programs under subsection (h) of section 5318 of that title.

(2) FINAL RULE.—Not later than 270 days after the date of enactment of this Act, the Secretary of the Treasury shall publish the rule described in this subsection in final form in the Federal Register.

**SEC. 5. STUDY AND REPORT BY GOVERNMENT ACCOUNTABILITY OFFICE.**

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report—

(1) identifying each State that has procedures that enable persons to form or register under the laws of the State partnerships, trusts, or other legal entities, and the nature of those procedures;

(2) identifying each State that requires persons seeking to form or register partnerships, trusts, or other legal entities under the laws of the State to provide information about the beneficial owners (as that term is defined in section 2009 of the Homeland Security Act of 2002, as added by this Act) or beneficiaries of such entities, and the nature of the required information;

(3) evaluating whether the lack of available beneficial ownership information for partnerships, trusts, or other legal entities—

(A) raises concerns about the involvement of such entities in terrorism, money laundering, tax evasion, securities fraud, or other misconduct; and

(B) has impeded investigations into entities suspected of such misconduct; and

(4) evaluating whether the failure of the United States to require beneficial ownership information for partnerships and trusts formed or registered in the United States has elicited international criticism and what steps, if any, the United States has taken or is planning to take in response.

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SUMMARY OF LEVIN-GRASSLEY-MCCASKILL INCORPORATION TRANSPARENCY AND LAW ENFORCEMENT ASSISTANCE ACT

To protect the United States from U.S. corporations being misused to commit terrorism, money laundering, tax evasion, or other misconduct, the Incorporation Transparency and Law Enforcement Assistance Act would:

Beneficial Ownership Information. Require the States to obtain a list of the beneficial owners of each corporation or limited liability company (LLC) formed under their laws, ensure this information is updated annually, and provide the information to civil or criminal law enforcement upon receipt of a subpoena or summons.

Non-U.S. Beneficial Owners. Require corporations and LLCs with non-U.S. beneficial owners to provide a certification from an in-state formation agent that the agent has verified the identity of those owners.

Penalties for False Information. Establish civil and criminal penalties under federal law for persons who knowingly provide false beneficial ownership information or intentionally fail to provide required beneficial ownership information to a State.

Exemptions. Provide exemptions for certain corporations, including publicly traded corporations and the corporations and LLCs they form, since the Securities and Exchange Commission already oversees them; and corporations which a State has determined, with concurrence from the Homeland Security and Justice Departments, should be exempt because requiring beneficial ownership information from them would not serve the public interest or assist law enforcement.

Funding. Authorize States to use an existing DHS grant program, and authorize DHS

to use already appropriated funds, to meet the requirements of this Act.

State Compliance Report. Clarify that nothing in the Act authorizes DHS to withhold funds from a State for failing to comply with the beneficial ownership requirements. Require a GAO report by 2013 identifying which States are not in compliance so that a future Congress can determine at that time what steps to take.

Transition Period. Give the States until October 2012 to require beneficial ownership information for the corporations and LLCs formed under their laws.

Anti-Money Laundering Rule. Require the Treasury Secretary to issue a rule requiring formation agents to establish anti-money laundering programs to ensure they are not forming U.S. corporations or other entities for criminals or other suspect persons.

GAO Study. Require GAO to complete a study of State beneficial ownership information requirements for in-state partnerships and trusts.

Mr. GRASSLEY. Mr. President, I rise to speak on the same bill the Senator from Michigan spoke on, but I ought to compliment him. He is most known for being a leader in the area of military affairs because of being chairman of that committee. But for sure, for years he has been also a chairman of the Permanent Subcommittee on Investigations and so much of the work that comes out of this legislation comes out of his work on that committee. I think he ought to be commended for the work he does through investigations there as well.

I am happy to join Senator LEVIN and Senator MCCASKILL in cosponsoring the Incorporation Transparency and Law Enforcement Assistance Act. This bill requires States to obtain corporate ownership information at the time of formation and help law enforcement investigate shell companies which are set up for the sole purpose of conducting illegal activities.

Earlier this year, Senator LEVIN joined me when I introduced a bill that we entitled the Hedge Fund Transparency Act. I said then that the major cause of the current financial crisis is a lack of transparency among hedge funds. That same thing can be said about corporate ownership. In too many States, very little ownership information is needed to register a corporation, and the actual owners of that corporation are often hidden behind the agents and lawyers who register the corporation on behalf of owners.

One example of how these criminals take advantage of this lack of transparency is the practice of setting up and using shell corporations to hide corporate ownership information. These individuals set up shell corporations that have the benefits of corporate registration and function legitimately. But these same corporations are being used to hide illegal activities. These activities include a variety of elaborate schemes to disguise money laundering, tax evasion, and securities fraud. Law enforcement officials from the Department of Justice and the Internal Revenue Service have testified before Congress about how the lack of corporate information has been a very significant impediment to their ability to conduct criminal investigations.

For example, when a corporation is involved in illegal activities, the legitimate corporate owners are often hidden, making it difficult for law enforcement agencies to determine who is actually responsible. That, in turn, makes it difficult to bring the real culprits to justice. States differ as to what corporate information is required to register a corporation and how long it takes to process that paperwork. Most States require only the name of the company, the name and address of the agent, a signature, and, of course, a fee.

In fact, the Government Accountability Office found that most States will take the time to verify that the fee has been paid but do not take the time to verify the identities of the incorporators, officers, and directors. Perhaps even more important, no State checks the names of incorporators, officers, or directors against criminal records and the watch lists that sometimes Federal agencies have. As a result, we have no way of knowing if the beneficial owners are criminals, or they could even be terrorists, for that matter. Many States now have introduced electronic registration procedures that enable a new corporation to be registered on line within 24 hours. States offer this expedited service in exchange for yet an additional fee. In fact, there are two States where an individual can form a corporation within 1 hour of making the request. The promise of quick registration and little oversight has proven to be a very popular revenue generator for some States. But this process is not necessarily in the best interest of protecting our financial system or our national security.

Some States have raised concerns that if their incorporation laws are tightened, corporations will simply register in other States where there are less stringent registration requirements. This bill is to take care of that problem. It is designed to bring some sanity to this whole process. It makes the registration requirement uniform over all 50 States, as well as the District of Columbia. This way corporations will simply not be able to ''shop around'' for the State with the most relaxed standards and simply play one State against the other. Further, much of the information set forth in this bill is already required by the European Union and many offshore jurisdictions. This bill simply updates our laws to match those of other nations combating the same problems with money laundering, tax evasion, and terrorist financing.

The legislation I am introducing today with Senators LEVIN and MCCASKILL requires that States obtain a list of the beneficial owners of each corporation or limited liability company formed under their laws before the corporation is registered in that particular State. The bill also requires that States ensure required information is updated annually and that States provide the information to civil or criminal law enforcement agencies upon receipt of a subpoena or summons. This also establishes a civil penalty of up to $10,000 and a criminal penalty of up to 3 years in prison for providing false information.

Additionally, the bill would exempt publicly traded companies that are already regulated by the Securities and Exchange Commission. Further, the bill requires non-U.S. beneficial owners to provide certification from an in-State agent that verifies the identity of the beneficial owner.

Finally, this bill requires the Government Accountability Office to complete a study of State beneficial ownership information requirements for in-State partnerships and trusts and gives the States until October 2011 to require beneficial ownership information for the corporations and limited liability companies formed under their laws.

I urge colleagues to cosponsor and support this legislation as we try to bring greater transparency to our financial system.

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By Mr. WEBB (for himself, Mr. BROWN, Mr. VITTER, Mr. WICKER, Mrs. BOXER, Mr. NELSON of Nebraska, and Mrs. LINCOLN):

S. 572. A bill to provide for the issuance of a ''forever stamp'' to honor the sacrifices of the brave men and women of the armed forces who have been awarded the Purple Heart; to the Committee on Homeland Security and Governmental Affairs.

Mr. WEBB. Madam President, I have introduced a bill that will create a perpetual Purple Heart stamp. I cannot think of any other stamp or any other area for a perpetual stamp that is more deserving than this award which recognizes sacrifice on the battlefield.

The original cosponsors of this legislation are Senators BROWN, VITTER, WICKER, BOXER, LINCOLN, and BEN NELSON of Nebraska. The Purple Heart is the oldest continually authorized U.S. military decoration. It was created as a badge of military merit by George Washington in 1782.

The original Purple Hearts were awarded to three soldiers in the Continental Army who had shown outstanding courage during the Revolutionary War. In 1931, Army Chief of Staff Douglas MacArthur commissioned work on a new design for the Purple Heart to coincide with the then upcoming 200th anniversary of President Washington's birth.

President Hoover's War Department authorized the award for wounds received by Army personnel in action or for meritorious service dating back to World War I. On February 22, 1932, General MacArthur became its first recipient. In December of 1942, the Purple Heart was extended to all branches of service, but the criteria were then strictly limited to those we know

today; that is, to be awarded to those who are wounded or killed during direct combat with the enemies of the United States. More than 1.7 million Americans of every race, color, creed and from all 50 States have received the Purple Heart in honor of their sacrifice on our Nation's battlefields.

This is the only U.S. military decoration for which there is no recommendation. It is simply earned through bloodshed for our country.

In 2003, the Postal Service honored recipients of this award by commissioning a first-class Purple Heart stamp in a ceremony at the home of George Washington in Mount Vernon, VA. The image used for this stamp is a photograph of one of the two Purple Hearts received by Marine LTC James Loftus Fowler of Alexandria, VA, which he received in 1968 as a battalion commander near the Ben Hai River in South Vietnam. Since that first issuance in 2003, approximately 1.2 billion first-class Purple Heart stamps have been sold, an average of 200 million a year. At the new first-class rate of 44 cents, which is taking place in May, that is approximately $88 million a year in revenue for the U.S. Government.

This yearly sales rate is equal to or greater than the sales of even the most popular commemorative stamps issued during that period, stamps bearing such American icons as Supreme Court Justice Thurgood Marshall, singer Frank Sinatra, and the classic Disney characters.

In 2007, the Postal Service created the first ''forever'' stamp, a stamp which, no matter when it was purchased, would be good for first-class postage on the day it was used. The image they chose was an image as old and venerable and quintessentially American as the Purple Heart—the Liberty Bell. According to a Postal Service press release, since its first issuance in April of 2007, more than 6 billion forever Liberty Bell stamps have been sold. This is an order of magnitude greater than any other single stamp sold in the United States, generating revenue of $2 billion.

Clearly, the volume of sales of forever stamps is a win for the Postal Service, which is facing a shortfall in future revenues, and a win in terms of the value delivered to the people who want to use them.

In creating the first Purple Heart, General Washington said:

> Let it be known that he who wears the military order of the Purple Heart has given of his blood in defense of his homeland and shall forever be revered by his fellow countrymen.

George Washington intended that the Nation he helped found would forever revere those who wear the Purple Heart as a symbol of the sacrifice they have given in our Nation's defense.

As a recipient of the Purple Heart in Vietnam as a Marine, I believe that making the Purple Heart stamp a forever stamp is the most appropriate way to honor the past and future recipients of our Nation's oldest military decoration.

I hope my colleagues will join me in this legislation.

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By Mr. AKAKA (for himself, Mr. VOINOVICH, Mr. CARPER, Mr. LEVIN, Mrs. MCCASKILL, and Mr. TESTER):

S. 574. A bill to enhance citizen access to Government information and services by establishing that Government documents issued to the public must be written clearly, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce the Plain Writing Act of 2009. I am pleased that Senators GEORGE VOINOVICH, TOM CARPER CARL LEVIN, CLAIRE MCCASKILL, and JON TESTER have joined as original co-sponsors of this legislation.

Our bill is very similar to H.R. 946, introduced by Representative BRUCE BRALEY last month.

The Plain Writing Act has a simple purpose: it would require the Federal Government to write more clearly. Agencies would be required to write documents that are released to the public in a way that is clear, concise, well-organized, readily understandable.

This bill would extend an initiative that President Bill Clinton and Vice President Al Gore started a decade ago as part of the Reinventing Government initiative. In 1998, President Clinton directed agencies to write in plain language. Although many agencies have made progress in writing more clearly, the requirement never was fully implemented. In recent years, the focus on plain writing has dropped. This legislation will renew that focus.

There are many benefits to plain writing. First, it promotes transparency and accountability. It is very difficult to hold the Federal Government accountable for its actions if only lawyers can understand Government writing. As we face an economic crisis and unprecedented budget deficits, the American people need clear explanations of Government actions.

Plain writing also improves customer service. Individuals and businesses waste time and money, and make unnecessary errors, because Government instructions, forms, and other documents are too complicated. Anyone who has filled out their own tax forms, applications for Federal financial aid or veterans' benefits, Medicare forms, or any number of other overly complicated Federal forms understands the need for plain writing.

Government officials, in turn, spend time and money answering questions and addressing complaints from people frustrated with Government documents they cannot understand. Correcting the errors people make because they do not understand Government documents demands Government officials' time as well. Because of this, plain writing makes Government more efficient and effective.

Numerous organizations have called on Congress to require the Federal Government to write more clearly, including the AARP, Disabled American Veterans, National Small Business Association, Small Business Legislative Council, Women Impacting Public Policy, American Nurses Association, American Library Association, American Association of Law Libraries, and several associations dedicated to promoting better communication. These groups support plain writing because their members complain about their frustration with trying to understand Government documents—or hiring attorneys to decipher them—and the time and money they waste because the Government does not write plainly.

As a former teacher and principal, I understand that even very smart people must be trained to write plainly, so this bill recognizes that Federal Employees will need plain writing training. Each agency will report their plans to train employees in plain writing. Writing in plain, clear, concise, and easily understandable language is a skill that Congress and Federal agencies must foster. As Thomas Jefferson once said, ''The most valuable of all talents is that of never using two words when one will do.''

Additionally, congressional oversight will ensure that agencies implement the plain language requirements. Agencies will be required to designate a senior official responsible for implementing plain language requirements and to report to Congress how it will ensure compliance with the plain language requirement and on its progress.

To avoid imposing too great a burden on agencies, agencies will not be required to rewrite existing documents. Only new or substantially revised documents will be covered. Similarly, this bill does not cover regulations, so that agencies can focus first on improving their every day communications with the American people. We recognize that it will be more challenging to write plainly when crafting regulations, which often must be technical and complex.

Requiring plain writing is an important step in improving the way the Federal Government communicates with the American people.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be placed in the RECORD, as follows:

S. 574

*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 ''Plain Writing Act of 2009''.

**SEC. 2. PURPOSE.**

The purpose of this Act is to improve the effectiveness and accountability of Federal agencies to the public by promoting clear

Government communication that the public can understand and use.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) AGENCY.—The term ''agency'' means an Executive agency, as defined under section 105 of title 5, United States Code.

(2) COVERED DOCUMENT.—The term ''covered document'' means any document (other than a regulation) issued by an agency to the public, including documents and other text released in electronic form.

(3) PLAIN WRITING.—The term ''plain writing'' means writing that the intended audience can readily understand and use because that writing is clear, concise, well-organized, and follows other best practices of plain writing.

**SEC. 4. RESPONSIBILITIES OF FEDERAL AGENCIES.**

(a) REQUIREMENT TO USE PLAIN WRITING IN NEW DOCUMENTS.—Not later than 1 year after the date of enactment of this Act, each agency shall use plain writing in every covered document of the agency issued or substantially revised.

(b) GUIDANCE.—

(1) IN GENERAL.—

(A) DEVELOPMENT.—Not later than 6 months after the date of enactment of this Act, the Office of Management and Budget shall develop guidance on implementing the requirements of subsection (a).

(B) ISSUANCE.—The Office of Management and Budget shall issue the guidance developed under subpargraph (A) to agencies as a circular.

(2) INTERIM GUIDANCE.—Before the issuance of guidance under paragraph (1), agencies may follow the guidance of—

(A) the writing guidelines developed by the Plain Language Action and Information Network; or

(B) guidance provided by the head of the agency that is consistent with the guidelines referred to under subparagraph (A).

**SEC. 5. REPORTS TO CONGRESS.**

(a) INITIAL REPORT.—Not later than 6 months after the date of enactment of this Act, the head of each agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report that describes how the agency intends to meet the following objectives:

(1) Communicating the requirements of this Act to agency employees.

(2) Training agency employees in plain writing.

(3) Meeting the requirement under section 4(a).

(4) Ensuring ongoing compliance with the requirements of this Act.

(5) Designating a senior official to be responsible for implementing the requirements of this Act.

(b) ANNUAL AND OTHER REPORTS.—

(1) AGENCY REPORTS.—

(A) IN GENERAL.—The head of each agency shall submit reports on compliance with this Act to the Office of Management and Budget.

(B) SUBMISSION DATES.—The Office of Management and Budget shall notify each agency of the date each report under subparagraph (A) is required for submission to enable the Office of Management and Budget to meet the requirements of paragraph (2).

(2) REPORTS TO CONGRESS.—The Office of Management and Budget shall review agency reports submitted under paragraph (1) using the guidance issued under section 4(b)(1)(B) and submit a report on the progress of agencies to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives—

(A) annually for the first 2 years after the date of enactment of this Act; and

(B) once every 3 years thereafter.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, March 11, 2009, at 9:30 a.m. to conduct a hearing entitled ''Violent Islamist Extremism: al-Shabaab Recruitment in America.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, March 11, 2009, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Committee on the Judiciary, Subcommittee on the Constitution be authorized to meet during the session of the Senate, to conduct a hearing entitled ''S.J. Res. 7 and H.J. Res. 21: A Constitutional Amendment Concerning Senate Vacancies'' on Wednesday, March 11, 2009, at 10 a.m., in room SH–216 of the Hart Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

## EXTENSION OF CERTAIN IMMIGRATION PROGRAMS

Mr. CARDIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1127, which was received from the House.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1127) to extend certain immigration programs.

There being no objection, the Senate proceeded to consider the bill.

Mr. CARDIN. Mr. President, I ask unanimous consent that the bill be read three times and passed; that the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1127) was ordered to a third reading, was read the third time, and passed.

## CONGRATULATING LITHUANIA ON ITS 1000TH ANNIVERSARY

Mr. CARDIN. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Res. 70, and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 70) congratulating the people of the Republic of Lithuania on the 1000th anniversary of Lithuania and celebrating the rich history of Lithuania.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DURBIN. Mr. President, today I wish to recognize an important moment for the people of Lithuania. Last month, Lithuania celebrated its 1000 year anniversary.

Along with my distinguished colleagues, Senator VOINOVICH from Ohio and Senator FEINSTEIN from California, I have submitted a commemorative resolution for this occasion.

As the birthplace of my mother, who came to the United States from Lithuania with her parents when she was just 2 years old, Lithuania holds a special place in my heart.

One thousand years sounds like a long time, especially in our relatively young United States. But historians have noted that the name of the area now known as Lithuania first appeared in European records, in the German Annals of Quedlinburg.

Traditions of Lithuanian statehood date back to the early Middle Ages, when Duke Mindaugas united an assortment of Baltic Tribes to defend themselves from attacks by the Teutonic Knights. From these early roots, Lithuania grew to encompass territory stretching from the Baltic Sea to the Black Sea by the end of the 14th century.

This nation, which once was the largest in Europe, has seen extraordinary struggles during the last century. It suffered 50 years of occupation, by both Nazi and Soviet forces.

Throughout that time, the U.S. Congress stood in support of Lithuania and its Baltic neighbors, Estonia and Latvia, and refused to recognize the Soviet occupation. In 2007, the United States and Lithuania celebrated 85 years of continuous diplomatic relations.

Today, Lithuania is a thriving free-market democracy and a strong ally of the United States. As a member of the European Union and NATO, Lithuania contributes to peace and security in Europe. Lithuania also contributes to global stability and peace building through its contributions to missions in Afghanistan, Iraq, Bosnia, Kosovo and Georgia.

When I traveled to Lithuania a few years ago and visited the village of my mother and grandparents, I was welcomed warmly by President Adamkus, who I have known for many years, and the people of Lithuania. I was so proud, not only to see my family's roots, but to see how far Lithuania has come, despite the many difficulties it endured in the last century.