

# FRIDAY BRIEF

VOLUME No: 39

Issue No: 4

Washington, D.C.

July 26, 2002

## House Expected to Vote on Corporate Fraud Bill

The House is expected to vote Thursday on a bill cracking down on corporate fraud, with a Senate vote expected soon thereafter. Congressional negotiators reached an agreement Wednesday night on compromise legislation intended to boost investor confidence by cracking down on corporate fraud and loose accounting.

The legislation creates criminal penalties and prison terms for company fraud and document shredding, and establishes an independent, private sector board-with subpoena power-to oversee the accounting industry. The negotiators agreed to include a GOP-pushed plan to create a federal account for defrauded investors. The account would take in all the civil fines, payments and assets from corporate wrongdoers. The money now goes to the government unless the Securities and Exchange Commission sets up a special fund for investors in a case against a company.

Lawmakers in both parties were seeking to restore Americans' confidence in business and the market. Election-year politics also contributed to the swift action on the legislation.

## CARE Act May Reach House Floor before Recess

The Democratic and Republican Senate leaders are working hard on a Unanimous Consent Agreement for the Charity Aid, Recovery, and Empowerment (CARE) Act. This would allow the legislation to come to the floor prior to the August recess.

The bill comes at a critical time for charities. Across the nation, charities are struggling to deliver services to the American people under very tough circumstances. Despite the incredible generosity of Americans in the aftermath of September 11, donations to charitable organizations dropped last year by 2.3 percent according to the new Giving USA report.

The Charitable Giving Coalition has worked extensively with the bill's authors and members of the Senate Finance Committee to ensure that the bill reflected the growing responsibilities of the charitable sector for meeting the requirements of Americans in need.

## House Bans Partial-birth Abortions

On Wednesday, the House approved a re-crafted bill that bans partial-birth abortions. The bill was approved 274-151, with 65 Democrats breaking ranks to support the ban, while 9 Republicans voted against it. The procedure, usually performed later in pregnancy, allows a partial delivery before the baby is killed. The Supreme Court struck down the bill in 2000, calling it unconstitutional because it failed to state the allowance of partial-birth abortions to take place if it saved the life of the mother. Thus, Rep. Steve Chabot, an Ohio Republican, crafted this year's bill to accommodate the Supreme Court's decision.

Democrats claim that the bill is still unconstitutional and was only offered to give Republicans an election-year issue. Before the Supreme Court's ruling, Congress passed legislation twice banning partial-birth abortions, only to have the bills vetoed by President Clinton. President Bush said he would sign a bill to ban the procedure. The Chabot Bill now faces a Democrat-controlled Senate.