



UNITED STATES DEPARTMENT OF JUSTICE

OFFICE OF THE ATTORNEY GENERAL

SPEECH OF U.S. ATTORNEY GENERAL JANET RENO
BEFORE AMERICAN ASSOCIATION OF RETIRED PERSONS

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THE WILLARD HOTEL

1401 PENNSYLVANIA AVENUE, N.W.

WILLARD BALLROOM

WASHINGTON, D.C.

P R O C E E D I N G S

MS. KING: Helen Busalis is going to introduce Attorney General Reno.

MS. BUSALIS: Good morning. What a truly special privilege it is to introduce our next speaker, who needs little introduction to this group. We were all reminded of her determination to crack down on white collar crime and fraudulent telemarketers, in particular, in our "AARP Bulletin" of last December.

In the early thirties when I grew up as a girl in Minneapolis, Minnesota, Amelia Earhart made her history making flight across the Atlantic, you will remember that, and became my heroine, my role model then. I suspect if I were growing up today, 65 years later, my role model would be the first woman to hold one of this nation's highest offices as Attorney General of the United States, our "top cop," as our "Bulletin" calls her, the Honorable Janet Reno.

[Applause.]

MS. RENO: I will tell you a sequel to the Amelia Earhart story in return for that wonderful comment, and that is, my mother was a young cub reporter for "The Miami Herald." One Sunday morning she was told to go out to the Opa-Locka hangar because Amelia Earhart was preparing to take off for South America on her round the world trip with Fred Noonan her navigator. My mother helped push the plane out of the hangar and she asked Ms. Earhart, "Ms. Earhart, why are you doing this?"

Ms. Earhart looked at her somewhat puzzled and said, "Just for fun."

[Laughter.]

MS. RENO: I can't suggest to you that I am being attorney general just for fun.

[Laughter.]

MS. RENO: But at the same time, I made a promise to myself that I would never do anything after I graduated from law school that I didn't enjoy doing, and this has been a wonderful opportunity to try to use the law the right way to protect the American people both from crime and from other violations of the law.

I thank you for inviting me to spend some time with you today because you have been a very effective force outside of government in helping us to achieve our goals. You are an example for this nation of what we can do when groups such as yours, business groups and other people in the private sector work together with government at all of its levels to effectively deal with the issue of crime.

Effective advocacy before Congress is another example. The AARP has done such a good job at that. We share many common goals and when an issue is not directly on point for one of us there still may be a role for both of us as we look at our perspectives.

I know that health care and health care fraud are one of your principal concerns with the Department of Justice. Let me assure you that combating health care fraud is one of my highest priorities. First, I will use all available tools -- criminal, civil and administrative -- use them as wisely as I can to detect, investigate and punish health care fraud.

Secondly, I am undertaking aggressive efforts to prevent the fraud in the first place through partnerships in industry to promote compliance with federal and state law and through efforts that empower patients to better understand the health care system and to report potential fraud to appropriate authorities.

In addition, we are trying to look at cases that have occurred where we have secured a conviction, and, if you will, do an "autopsy" on the case to see what problem, what process permitted the crime to happen in the first place, who was able to do this, and why were they able to do it without somebody checking it, and try to use what we learn to work with the industry to develop the processes, to provide the checks and balances that can prevent it from happening in the first place.

There is a great deal of effort involved, but there is huge problem and there is much to do. Some forms of health care fraud and abuse pose a direct threat to the health and safety of patients, particularly those in nursing homes and those who would receive home health care. Ferreting out such fraud and abuse is one of our top priorities within the overall health care fraud program.

I would like to put a footnote on that. I was a prosecutor in Miami for 15 years. We pioneered some efforts at child abuse prosecutions, we pioneered efforts to investigate child abuse, minimizing the impact on the child.

But as we did this, one of the doctors that I talked to said, "I'm interested in elderly abuse. I am working at the University of Miami to address this issue. We would like to work with you. This is an area that has got to be addressed for the future separate and apart from the fraud issue, but how we do it and what we do, and I would be grateful for your suggestions in that regard."

Financial losses to fraud are a major problem as well. Recently, and I have heard different figures used, I think it is very important as we deal with these legislative issues and as we convince Congress of the rightness of our position that we are careful on the figures we use.

I have heard people talk about \$100 billion. I find no foundation for that. But recently the HHS inspector general reported, "The Medicare Program alone has overpaid hospitals, doctors and other health care providers by as much as \$23 billion."

Now, this is not all outright fraud, and we should be careful when we use that figure. But I think it makes it clear that there are billions of dollars involved in outright fraud.

My focus is not just on the billions lost to fraud, waste and abuse. I am also concerned about the need to reduce fraud in order to promote public confidence in the Medicare and the Medicaid Programs. These programs provide essential health care to millions of our nation's elderly and disadvantaged citizens, and public confidence in the integrity of these programs is essential to ensuring their vitality in the decades ahead.

We are trying to work together with the FBI, with the HHS inspector general, with state authorities to make sure that we have a comprehensive investigative effort underway, that we leave no stone unturned, that we don't duplicate efforts when we have very limited resources in certain situations, and that we bring our efforts together in a fully coordinated way.

There are other issues that we have shared and you have been a valiant ally in addressing and that, for example, is the whole issue of telemarketing fraud. But, ladies and gentlemen, when we talk about telemarketing we are now talking about Internet marketing and we are talking about marketing from around the world as the nation's of the world become, and the people of the world become more articulate on the Internet.

We have a lot to do and we look forward to working with you in continued efforts to dealing with this whole problem, both in telemarketing and on the Internet.

I would like to raise another subject with you. I about a year ago saw an article of a person whom we had convicted of a scam of home repair, a home repair scam. It occurred to me that we could do so much if we worked with the state attorneys general and with AARP in identifying patterns of fraud across state lines, for example, in warning people of fraud that might occur after a natural disaster such as a hurricane, and in warning people of patterns of fraud.

I am pleased to say that our fraud section in the Criminal Division is now looking to see what we can put on the Justice Department web page that doesn't duplicate what others do, but provides warnings and provides understanding that can help you and others educate the community about what they should be on the lookout for.

But as I have indicated, there are times when it may not be your direct priority, but we share priorities that can enable us to do so much more. America's older citizens have earned the right to be safe at home, when they go to the grocery store, on the streets of their

community and in their neighborhood. Better health care alone will not improve the life of the senior citizen.

Now, because of the efforts of so many people, because of President Clinton's efforts to put 100,000 police officers on the streets, through so much effort by citizens and community after community I have seen with my own eyes the person who said, "I have lived in the same neighborhood for 60 years. I always used to feel I could come out and go to the store and go to meetings, but for a long time now I just haven't felt safe. I am beginning to feel safe now so I can go down to that community meeting and I can give them a piece of my mind about what we think needs to be done."

These same people can go volunteer at an elementary school as a teacher's aide for two mornings a week. One of my favorite stories is of a man who stood up in a meeting one day in Miami and said, "Do you know what I do three mornings a week for three hours each morning?"

I said, "No, sir."

He said, "Do you know how old I am?"

I said, "No, sir."

He said, "Well, I'm 84 years old," and he said, "I volunteer as a teacher's aide for a first grade teacher."

The lady standing next to him was a young woman who stood up and said, "I'm the first grade teacher for whom he volunteers. The kids with learning disabilities can't wait for their time with him because he has the patience of Job, and the kids with gifted talents can't wait for their time with him because he gives them an opportunity to explore regions that I with 30 people in the class can't possibly begin to address."

There is much that can be done, but we still have got to do more. Because juvenile crime, though down for the first time, is still a potentially explosive problem because the number of young people will increase significantly in the next five to ten years.

I have never met a person who would rather have had the crime committed than have prevented it in the first place. I think what we have got to explain to all concerned -- appropriators, state legislators and others -- is that there are crime prevention programs that work that make a difference.

We can't simply fill the jails endlessly and hope to really make a mark. We cannot build our way out of the crime problem. I think it is important that a young person who commits a

serious crime, a violent crime, anybody who hurts others ought to know that they are going to be effectively punished.

You can't put a gun up beside somebody's head and think you are going to get away with it. For those who commit less serious crimes, I think they have got to know that there is going to be an effective intervention with follow through and that there will be consequences if they don't follow through.

But there are a whole group of young people out there who want to contribute, who want to make a difference but who are left unattended after school and in the evenings who do not have supervision of any kind and who are left to their own devices. They don't have role models. They don't have places to go.

When I go to a community, I try oftentimes to talk to a young person who is in trouble or who has been in trouble. Again and again I get the same poignant response when I ask the question, "If you were the attorney general, what would you do to have prevented this crime from happening in the first place?"

These young people say, "Give me somebody to talk to, some adult who knows how hard it is to grow up in this nation today, somebody who can give me a pat on the back when I deserve it and tell me when I have done wrong and hold me accountable when I deserve it, and something to do in the afternoons and evenings, not just sports but some activity that can give me an opportunity to learn relevant material that can help me for the future."

It may be work at a computer bank all afternoon until you are proficient on that computer when you didn't have the chance in class that day. Or, it may be a musical, an artistic effort such as I observed in Miami Beach last Friday with the Miami Beach Performing Arts Academy, which gives to young people the chance to play as long as they want on Saturday until they get it right. I heard some brilliant musicians who might otherwise be in trouble.

As President Clinton pointed out in his "State of the Union Address" last week, most serious juvenile felonies occur in the five hours after school closes. Police chiefs have confirmed that again and again for me. If a community has an effective after-school program with adult role models, mentors we can prevent crimes from occurring in the first place.

I want to make sure that Congress appropriates monies not just to get tough, but to prevent the crime and to prevent the victimization in the first place. I hope that this will be a priority for AARP. Keeping the streets safe means that those who may have a little more trouble getting around can feel far more secure.

There is so much to do. People talk about some of the problems we face in Washington,

but we have seen things happen in these last five years. I have been very gratified about what is happening in communities across America. But I have been particularly gratified by your contribution, whether it be in telemarketing fraud and assisting the FBI or whether it be in suggestions or ideas.

So I will close with a question and hope to hear from you. If you were the Attorney General of the United States, what would you do that I am not doing or not do that I am doing?

[Applause.]

MS. KING: I think you got a vote of confidence.

Helen?

MS. BUSALIS: Thank you for that excellent presentation. We know that there has been an increasing number of the amount of fraud that perpetrated against our citizens, and particularly our older citizens, that comes from across the borders. There are telemarketing fraud operations in cities like Vancouver, Toronto, Montreal, besides Las Vegas and Los Angeles. We were wondering what the Department of Justice is doing to stem that tide?

MS. RENO: First of all, that is happening, and I will tell you what we are doing to stem that tide. But you haven't seen anything yet, because that is telemarketing. Just wait until everybody learns about the Internet. That is the reason we have to look even further ahead down the line to see what we do to prevent people from being victimized as victims of crime on the Internet.

But about three years ago, I visited my counterpart in Canada, the minister of justice, and I also visited -- I have two counterparts -- and the solicitor general. Our portfolios are not exactly the same. One of the areas that I raised with them was the whole issue of telemarketing fraud, that this was not something that respected our border and that we were going to have to work together.

We have had a good working relationship with the Canadians. There is now a new minister of justice and a new solicitor general. We have had a chance to renew our commitment and we are continuing in that effort, but I think we have a larger issue to face.

MR. TULL: Ms. Reno, I will answer your question by saying I think you are doing very well. But I do have a question. The question is this, You had mentioned earlier in your remarks that the Internet was becoming an increasing source of fraudulent activity. In addition to the information that you post on your website, can you give us an idea of what the Justice Department is currently doing to combat this problem?

MS. RENO: One of the things that we are trying to do is to work with the industry to see how we can work together to address the problem. But what I am trying to do in the larger sense goes to a number of issues.

I suspect that one of the things that I am discovering is that you are either under 20 or over 65, and either group is far more articulate, sophisticated and fluent on cybercrime issues or cyber issues than us in the middle.

I came to Washington, however, concerned because a number of people from my past experience had said law enforcement is not prepared to deal with the issue of cybercrime, whether it be fraud on the Internet or somebody, a hacker, sitting in a kitchen in St. Petersburg, Russia, stealing from a bank.

We have developed an intellectual property and computer crime section. The FBI has beefed up its efforts, both with respect to child pornography, consumer fraud, the equivalent of telemarketing fraud, and we are trying to prepare ourselves to match it.

One of the issues that we have faced is the fact that boundaries won't make any difference, and one of the important capacities that we must have is the ability to get to identify the site and identify the person conveying the fraud through the Internet.

We, the P8, who are the big eight industrial nations of the world, had a very good meeting here in early December in which we addressed computer crime, and how these eight great nations would work together in the identification in early 24-hour response nation by nation in common laws that would permit us to focus on this. So we are making some progress, but we will continue to welcome any suggestions that this group has as to what more that we can be doing.

MR. TULL: Thank you.

MR. CHRISTENSEN: Thank you for being with us. We appreciate your remarks. I am Dave Christensen from Southern Illinois.

You spoke very positively about the adult mentor program as it relates to juvenile crime and said that these people help a lot with encouragement and just somebody to talk to, and it occurred to me that is what parents are for. I wonder how you might -- what efforts you see to relate parents into programs that might help with juvenile crime.

MS. RENO: One of the problems that exists today is that there are a large number of single parents who care deeply about their children and try to be as involved as they can, but have got to work to make ends meet -- or both parents have to work to make ends meet as

you see more people having more, but more people having less. Thus, for the best intentioned parent there is the need for that after-school supervision for the accountable parent.

But the president, for example, has made some interesting suggestions that I am very gratified by suggesting that we expand the Family and Medical Leave Act to include the opportunity for parents to spend time with their kids at school. Because principals and teachers tell me one of the greatest problems they face is getting the parent to school to become involved with the child's problems. I think this parenting leave effort can make a big difference.

I had a law, my law, because I had the flexibility, but as state attorney in Dade County I developed the concept of an educational leave, where parents could take a certain amount of time during the school year to go to their child's school either for parent's conferences or participation, and I think we need to expand that.

At the Justice Department, we are talking about a number of initiatives that have been implemented, some more so than others for job sharing and computer telecommuting so that you can write a brief at home, if you are disciplined, as easily as you can write it at the office, with access to libraries by virtue of computers and such. So there is much underway.

But you still have just the basic economic fact that two parents in many two-parent families both have to work to provide for their children and to provide for that college education, and just for the necessities of life. We are going to have to deal with that.

The president's initiative for child care is a great step forward, but there are going to be some youngsters even with child care opportunities that are going to need more in terms of the mentoring, in terms of truancy prevention, in terms of learning how to resolve conflicts without knives and guns and fists.

MS. KING: Dave?

MR. STOCKI: Yes. I don't know if you are aware of this or not, perhaps you are, but Attorney General Jim Doyle convened a group of volunteer senior citizens to screen the Internet to find health care fraud and other frauds that are being perpetrated out there.

I was one of the four that answered the call and believe me it was sickening to look at the number of sites in which you could get what appeared to be fraudulent arthritis cures, for example. Perhaps, if you don't already know about the effort or have a cooperative arrangement, that might be something that could help nationally.

MS. RENO: I had heard that Jim was interested in starting that. He and I have had an excellent working relationship, because I have tried to reach out to the state attorneys general

to make sure that we form a partnership, that we don't duplicate their efforts, that we back them up. I know he and I think Scott Harshburger in Massachusetts have both been addressing issues relating to elderly issues and fraud issues and how we can work together on that. I will give Jim a call.

MS. KING: Dudley?

MR. LESSER: It would appear that a great number of sources getting information across would be in the schools in consumer fraud, for example, so that from a very early age as you go through the schooling system you begin to understand. Are there any efforts along these areas?

MS. RENO: I can't speak for the individual schools, but I can tell you something that we unveiled the other day in conjunction with the Department of Education. It was a kid's web page in response to the president's suggestion that each department see what it could do to make its information available to young people on the web in a way that they could understand it and appreciate it.

So we had a number of different issues, some of it was substantive: how the FBI does DNA; how fingerprints work, what is involved; how does the polygraph work. I saw it and I said, "This sounds awfully complicated."

It was wonderful because we had some young people there of a variety of ages from here [indicating] to here. Kids understand so much if it is a subject that interests them and you put it in terms that they can appreciate, and I was really impressed.

We have on that web page the do's and don'ts of the Internet. I think it is best said by one of the persons who has been a leader in the whole information age said to me, "I think my 13-year-old daughter is terribly adept on the computer, but I don't think she knows what she can and can't do. She knows she can't rob a bank. She knows she can't steal \$10 from somebody. But does she know that she can't go into somebody else's password or behind somebody else's password?"

There are so many things, so we have tried to address some of the do's and don'ts. We have tried to give them information about civil rights, about what the Justice Department does. Again, I think the schools and all of those of us who want to reach out to children can make a big difference as we follow the president's directive.

We also asked the kids -- we had tried to provide focus groups for the young people so that we could make sure that we were addressing issues that would interest them and would be useful. We told them after the unveiling, "Now, we want you to come back to us with suggestions as to how we can improve it."

MS. KING: John?

MR. McMANUS: Madam Attorney General, it is a privilege to have you here. We are thankful to you, and I know I speak on behalf of my colleagues when I say that we hope you will be with us for many years here in Washington.

My question to you is a question of mergers and acquisitions. You see a tremendous amount of mergers in the United States, and it is especially happening rather rapidly in the utility industry. Would you like to comment on that issue, and how it affects the consumer?

MS. RENO: Well, I didn't take a course in antitrust in law school.

[Laughter.]

MS. RENO: I don't profess to be an expert in the area at all; although, I have learned an awful lot in the last five years. Anne Bingaman, my first assistant attorney general for antitrust, and now Joel Klein have both been great educators for me. I have tried to back them up.

Because in terms of public policy and American history I believe very, very strongly in the mission of the Antitrust Division, and particularly in efforts to ensure vigorous competition not just here but around the world. I think we have new implications that are very important for us in the international consequences, and we are working with authorities in other nations to address the issue.

With respect to the utility issue, I think if you look at it on a case-by-case basis, we take it on a case-by-case basis and look at it and call the shots as we see them. Joel will come in to me and say, "This is what we are going to do, and this is why we are doing it. We can't approve this merger. We can approve this."

It is something that I follow carefully, because it means a great deal to me, but it is something that we are both trying to make sure is implemented based on the evidence and the law.

MS. KING: Jean?

MS. CANJA: Ms. Reno, thank you for being here. I am Tess Canja from Florida. I can tell you that Floridians are particularly proud of our attorney general.

MS. RENO: Well, some of them are prejudiced one way and the other.

[Laughter.]

MS. CANJA: I have a question about funding. A lot is going on now and there have been a lot in recent legislation about fighting fraud. We have had some discussion about in Medicare, for example, and the hotline and, you know, is there enough money for these things. But do you find that there is sufficient funding for your investigations?

MS. RENO: With the new initiatives, I think Donna Shalala and I would both agree what is very important for us right now is a lot of new agents are coming on board. A lot of new agents are coming on board. A lot of new inspectors general are coming on board, investigators are coming on board in HHS.

Our great challenge right now is not so much numbers as training these new investigators, new agents, in health care fraud investigation and how to do it. They are quick studies. They are very, very able and are going to be wonderful agents. But that is, frankly, one of the major issues that we face now.

What we are trying to do in the Department of Justice is address it on a regional basis or on a district basis so that prosecutors and agents can be trained together to ensure not only that they have the skills, but they learn how to work with each other. That is proving very effective.

MS. KING: Frances?

MS. CLARK: Frances Clark from Pennsylvania. Thank you so very much for that wonderful message that you gave us. I am particularly interested in what you said about the intervention or the prevention of the youth of our children getting into trouble, into crime. Can you share with me any information that I can take back home to use to put into place to stop just that?

MS. RENO: Yes. If I may, I will stop by your seat there and get your address so that I can send you some additional information. Here is what I would suggest. Anybody that is interested, my number is 514-2002. If you can leave word, we will get good, specific information to you about what is working and what is not working. But let me give you some general points of view.

What I have discovered in Miami is that there are so many people that want to volunteer, but oftentimes they are limited by transportation and they don't feel comfortable driving across town. I have always suggested that you look within your neighborhood as to what can be done.

In almost every neighborhood, there is going to be an elementary school or a junior

high school. And tutoring, a good tutor is one of the great, great people. How you get a young person who is falling behind interested, how you get him moving and going at the subject without putting him down and making him feel stupid is one of the great, great challenges of the great teachers, and I find that a person who really wants to be involved can oftentimes be one of the best at that.

Secondly, there can be all sorts of programs. I mean, just in terms of participating in the community meetings to determine what is going to happen to the park, of trying to figure out -- I have been to community meetings where neighbors were saying, "I want those kids out of the park. They don't belong there."

The marvelous person from AARP could go there and say, "Wait a minute, we can solve this for everybody. The kids can use the park this way, and you can have the benefit of the park from this perspective." The peacemaker, the person who is retired who has time is oftentimes one of the world's great peacemakers.

Support for the police to the community police officer, "That kid down the street is not a bad kid. I think he is getting in trouble. Why don't you go down and talk to him and see if you can't pull him back from the brink before it is too late?" Being the eyes and ears of the police officer, not throwing a kid in, if you will, but helping that police officer. Those are just some of the initial ideas.

One of the things -- I go back to a point that I made -- I am mightily impressed about the steps being taken in America and I am proud of steps being taken in the Department of Justice to teach us to resolve our conflicts without expensive trials, to teach us how to resolve conflict without knives and guns and fists.

We have developed an alternative dispute resolution program in the Department of Justice that teaches our lawyers how to negotiate, how to use mediation, how to use arbitration, and it is proving really, really successful.

The major courts of appeal have ADR components. Now, when I went to law school, I had Roger Fisher for civil procedure. Roger Fisher is now the guru of teaching people how to negotiate lawsuits. We can use the same theory with police in the community, with teachers in the classroom and with kids on the playground.

Again, I have seen situations where an elderly person is the best teacher of conflict resolution I know. The one thing I would urge is find something that is in your neighborhood so you don't have to worry about the transportation. Make sure you consult with the people involved to make sure that you are doing it the right way. And the better programs, the mentoring programs and the tutoring programs, are those that give you some thoughtful training up front.

Then find out what you want to do, and enjoy doing it. If it is the first grade, enjoy the first grade. Or, if you want to teach junior high school English, enjoy that. But just enjoy what you are doing because it is so fun to see the kids faces come alive when the enthusiasm of the tutor is conveyed.

MS. CLARK: Thank you so much.

MS. KING: Thank you very, very much.

[Applause.]

MS. RENO: With that, I think I had better go.

[Whereupon, at 11:00 a.m., the speech was concluded.]

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