

## Eye on Washington by Nicholas F. Benton

### A nation of snitches

*The Securities and Exchange Commission and U.S. Justice Department are establishing the mechanics for a police state.*

With unparalleled zeal, the the government has been spinning off an entire array of new measures which amount to terrorism against U.S. industry, especially the medical profession, but also against every citizen.

The new measures are typified by a remarkable new "Bounty Awards" program launched by the Securities and Exchange Commission. Directed against alleged perpetrators of insider trading, the new program, effective July 10, is designed to be an incentive to turn every citizen into a policeman against everyone else.

The concept was also included in the Insider Trading and Securities Fraud Enforcement Act of 1988, and has been set forth in detail with a set of rules drawn up by the SEC.

While this program may deter some criminal activity, what makes it cause for alarm is its context: the new definition of "crime" in which it operates, whereby it is not even a question of whether a crime was actually committed, but rather, whether one can be pinned with a "conspiracy" to commit that non-existent crime.

It will not take much abuse of this program to have a severely damaging effect on industry and business in general, and, needless to say, it will turn any figure targeted for political or other reasons into a sitting duck for virtually certain indictment.

A pamphlet published by the Department of Justice and titled "Anti-trust Enforcement and the Consumer," follows in a similar vein, although it uses a different tack to motivate the

public to cooperate.

In this case, it is aimed against infringements of the anti-trust laws, such as price fixing or bid rigging; but rather than offering the "honey" of a cash payoff for information, the boys down at the DoJ are not beneath using a little real terror against the general public in order to get results.

"If you know about a violation and you say nothing," the DoJ warns, "in certain circumstances you yourself could later be held criminally responsible, and, in addition to losing your job and your reputation in your community, you could be subject to substantial fines and even imprisonment."

In other words, while the SEC will pay you to snitch, the DoJ threatens to put you away if you don't. The result is the same—a climate of psychological terror.

In the medical profession, in particular, given that a high percentage of patients rely on Medicare and Medicaid coverage, costs of keeping a practice intact make it almost impossible to avoid resource-sharing arrangements which have now been pronounced "criminal" violations of anti-trust laws by the Department of Justice.

In the case of the anti-trust laws, their extension into the medical profession has been the latest and most egregious abuse of their original intent.

This will become official later this summer when the so-called "Physician Ownership/Referral" bill be-

comes law as part of the 1990 budget package. Introduced by Rep. Fortney Stark (D-Calif.), the bill will now make it a crime for physicians who hold any financial interest in a clinic, ambulatory surgical center, medical supply company, or home health services company to refer patients to such institutions.

For self-protection, and in order to ease the crushing load of malpractice insurance premiums, physicians have resorted to forming joint ventures in such kinds of services as standard practice, and especially in recent years, to counter lower Medicare and Medicaid paybacks. Now, however, efforts to provide such services to patients at affordable costs will soon become a crime.

The Stark bill was reported out of the House Ways and Means Committee by a voice vote June 29, and attached to the overall 1990 federal budget package. As it now stands, it is almost certain to become law this year, and Stark's office claims that it will reduce the cost of Medicare by eliminating more "abuse."

For the consumer, rather than finding prices drop and service improve as the result of such actions, he will find either that he becomes dependent on one distant mega-giant corporation for his needs, or that no service is available to him at all.

This will hit the hardest in rural America and the inner cities, although no region will be exempt.

The real crime is the on-going attempt of the government to cheat Medicare and Medicaid recipients, and their health care providers, by cutting back their payments, self-righteously justifying their actions on the grounds that they are trying to stem greed and waste, which, they claim, make it harder for them to make their interest payments on time to the international financiers who own the national debt.