

106TH CONGRESS
2D SESSION

S. 3025

To combat telemarketing and mass marketing fraud.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 2000

Mr. BAYH introduced the following bill; which was read twice and referred to
the Committee on the Judiciary

A BILL

To combat telemarketing and mass marketing fraud.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Combating Fraud
5 Against Seniors Act”.

6 **SEC. 2. CENTRALIZED COMPLAINT AND CONSUMER EDU-**
7 **CATION SERVICE FOR VICTIMS OF TELE-**
8 **MARKETING FRAUD.**

9 (a) CENTRALIZED SERVICE.—

10 (1) REQUIREMENT.—The Federal Trade Com-
11 mission shall, after consultation with the Attorney
12 General, establish procedures to—

1 (A) log and acknowledge the receipt of
2 complaints by individuals who certify that they
3 have a reasonable belief that they have been the
4 victim of fraud in connection with the conduct
5 of telemarketing (as that term is defined in sec-
6 tion 2325 of title 18, United States Code, as
7 amended by subsection (d) of this section);

8 (B) provide to individuals described in sub-
9 paragraph (A), and to any other persons, infor-
10 mation on telemarketing fraud, including—

11 (i) general information on tele-
12 marketing fraud, including descriptions of
13 the most common telemarketing fraud
14 schemes;

15 (ii) information on means of referring
16 complaints on telemarketing fraud to ap-
17 propriate law enforcement agencies, includ-
18 ing the Director of the Federal Bureau of
19 Investigation and the Attorney General;
20 and

21 (iii) information, if available, on the
22 number of complaints of telemarketing
23 fraud against particular companies and
24 any record of convictions for telemarketing

1 fraud by particular companies for which a
2 specific request has been made; and

3 (C) refer complaints described in subpara-
4 graph (A) to appropriate entities, including
5 State consumer protection agencies or entities
6 and appropriate law enforcement agencies, for
7 potential law enforcement action.

8 (2) CENTRAL LOCATION.—The service under
9 the procedures under paragraph (1) shall be pro-
10 vided at and through a single site selected by the
11 Commission for that purpose.

12 (3) COMMENCEMENT.—The Commission shall
13 commence carrying out the service not later than 1
14 year after the date of enactment of this Act.

15 (b) CREATION OF FRAUD CONVICTION DATABASE.—

16 (1) REQUIREMENT.—The Attorney General
17 shall establish and maintain a computer database
18 containing information on the corporations and com-
19 panies convicted of offenses for telemarketing fraud
20 under Federal and State law. The database shall in-
21 clude a description of the type and method of the
22 fraud scheme for which each corporation or company
23 covered by the database was convicted.

24 (2) USE OF DATABASE.—The Attorney General
25 shall make information in the database available to

1 the Federal Trade Commission for purposes of pro-
 2 viding information as part of the service under sub-
 3 section (a).

4 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
 5 authorized to be appropriated such sums as may be nec-
 6 essary to carry out this section.

7 (d) EXPANSION OF SCOPE OF TELEMARKETING
 8 FRAUD SUBJECT TO ENHANCED CRIMINAL PENALTIES.—
 9 Section 2325(1) of title 18, United States Code, is amend-
 10 ed by striking “telephone calls” and inserting “wire com-
 11 munications utilizing a telephone service”.

12 **SEC. 3. ENHANCED CRIMINAL PENALTIES IN CONNECTION**
 13 **WITH MASS MARKETING.**

14 Section 2326 of title 18, United States Code, is
 15 amended—

16 (1) by striking “A person” and inserting the
 17 following:

18 “(a) IN GENERAL.—A person”;

19 (2) by inserting “or mass marketing” after
 20 “telemarketing”; and

21 (3) by adding at the end the following:

22 “(b) MASS MARKETING DEFINED.—In this section,
 23 the term ‘mass marketing’ means a plan, program, pro-
 24 motion, or campaign that is conducted through solicitation

1 by telephone, mail, the Internet, or other means to induce
2 a large number of persons to—

3 “(1) purchase goods or services:

4 “(2) participate in a contest or sweepstakes; or

5 “(3) invest for financial profit.”.

6 **SEC. 4. ADDITIONAL FUNDING TO COMBAT FRAUD.**

7 (a) IN GENERAL.—There is authorized to be appro-
8 priated to the Bureau of Consumer Protection of the Fed-
9 eral Trade Commission \$20,000,000 for each fiscal year
10 to combat telemarketing and mass marketing fraud, of
11 which not less than \$5,000,000 shall be used in each fiscal
12 year to combat telemarketing and mass marketing fraud
13 against the elderly.

14 (b) DEFINITIONS.—In this section—

15 (1) the term “mass marketing” has the mean-
16 ing given the term in section 2326 of title 18,
17 United States Code, as amended by this Act; and

18 (2) the term “telemarketing” has the meaning
19 given the term in section 2325 of title 18, United
20 States Code, as amended by this Act.

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