

107TH CONGRESS
1ST SESSION

H. R. 2985

To amend the Federal Trade Commission Act to increase civil penalties for violations involving certain proscribed acts or practices that exploit popular reaction to an emergency or major disaster declared by the President, and to authorize the Federal Trade Commission to seek civil penalties for such violations in actions brought under section 13 of that Act.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2001

Mr. BASS (for himself, Mr. DEAL of Georgia, Mr. STEARNS, Mr. TOWNS, Mr. DAVIS of Illinois, Mr. GORDON, Mrs. MORELLA, Mr. CASTLE, Mr. WALSH, Mr. DOYLE, Mrs. KELLY, Mr. FILNER, and Mr. SCHROCK) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Federal Trade Commission Act to increase civil penalties for violations involving certain proscribed acts or practices that exploit popular reaction to an emergency or major disaster declared by the President, and to authorize the Federal Trade Commission to seek civil penalties for such violations in actions brought under section 13 of that Act.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “American Spirit Fraud
3 Prevention Act”.

4 **SEC. 2. INCREASE IN PENALTIES FOR UNFAIR OR DECEP-**
5 **TIVE ACTS OR PRACTICES EXPLOITING REAC-**
6 **TION TO CERTAIN EMERGENCIES AND MAJOR**
7 **DISASTERS.**

8 (a) VIOLATIONS OF PROHIBITION AGAINST UNFAIR
9 OR DECEPTIVE ACTS OR PRACTICES.—Section 5(m)(1) of
10 the Federal Trade Commission Act (15 U.S.C. 45(m)(1))
11 is amended by adding at the end the following:

12 “(D) In the case of a violation involving an unfair
13 or deceptive act or practice in an emergency period or dis-
14 aster period, the amount of the civil penalty under this
15 paragraph shall be double the amount otherwise provided
16 in this paragraph, if the act or practice exploits popular
17 reaction to the national emergency, major disaster, or
18 emergency that is the basis for such period.

19 “(E) In this paragraph—

20 “(i) the term ‘emergency period’ means the pe-
21 riod that—

22 “(I) begins on the date the President de-
23 clares a national emergency under the National
24 Emergencies Act (50 U.S.C. 1601 et seq.); and

1 “(II) ends on the expiration of the 1-year
2 period beginning on the date of the termination
3 of the national emergency; and

4 “(ii) the term ‘disaster period’ means the 1-year
5 period beginning on the date the President declares
6 an emergency or major disaster under the Robert T.
7 Stafford Disaster Relief and Emergency Assistance
8 Act (42 U.S.C. 5121 et seq.).”.

9 (b) VIOLATIONS OF OTHER LAWS ENFORCED BY THE
10 FEDERAL TRADE COMMISSION.—Section 13 of the Fed-
11 eral Trade Commission Act (15 U.S.C. 53) is amended
12 by adding at the end the following:

13 “(e)(1) If a person, partnership, or corporation is
14 found, in an action under subsection (b), to have com-
15 mitted a violation involving an unfair or deceptive act or
16 practice in an emergency period or a disaster period, and
17 if the act or practice exploits popular reaction to the na-
18 tional emergency, major disaster, or emergency that is the
19 basis for such period, the court, after awarding equitable
20 relief (if any) under any other authority of the court, shall
21 hold the person, partnership, or corporation liable for a
22 civil penalty of not more than \$22,000 for each such viola-
23 tion.

24 “(2) In this subsection—

1 “(A) the term ‘emergency period’ means the pe-
2 riod that—

3 “(i) begins on the date the President de-
4 clares a national emergency under the National
5 Emergencies Act (50 U.S.C. 1601 et seq.); and

6 “(ii) ends on the expiration of the 1-year
7 period beginning on the date of the termination
8 of the national emergency; and

9 “(B) the term ‘disaster period’ means the 1-
10 year period beginning on the date the President de-
11 clares an emergency or major disaster under the
12 Robert T. Stafford Disaster Relief and Emergency
13 Assistance Act (42 U.S.C. 5121 et seq.).”.

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