

Union Calendar No. 3

108TH CONGRESS
1ST SESSION

H. R. 346

[Report No. 108-5]

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

JANUARY 27, 2003

Mr. BASS introduced the following bill; which was referred to the Committee on Energy and Commerce

FEBRUARY 4, 2003

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Spirit Fraud
5 Prevention Act”.

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

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

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

21 “(E) In this paragraph—

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

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

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

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

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

16 “(e)(1) If a person, partnership, or corporation is
17 found, in an action under subsection (b), to have com-
18 mitted a violation involving an unfair or deceptive act or
19 practice in an emergency period or a disaster period, and
20 if the act or practice exploits popular reaction to the na-
21 tional emergency, major disaster, or emergency that is the
22 basis for such period, the court, after awarding equitable
23 relief (if any) under any other authority of the court, shall
24 hold the person, partnership, or corporation liable for a

1 civil penalty of not more than \$22,000 for each such viola-
2 tion.

3 “(2) In this subsection—

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

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

9 “(ii) ends on the expiration of the 1-year
10 period beginning on the date of the termination
11 of the national emergency; and

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

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