

109TH CONGRESS
1ST SESSION

H. R. 3675

IN THE SENATE OF THE UNITED STATES

OCTOBER 26, 2005

Received; read twice and referred to the Committee on Commerce, Science,
and Transportation

AN ACT

To amend the Federal Trade Commission Act to increase civil penalties for violations involving unfair or deceptive acts or practices that exploit popular reaction to an emergency or major disaster, 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 a national emergency period
16 or disaster period, or relating to an international disaster,
17 the amount of the civil penalty under this paragraph shall
18 be double the amount otherwise provided in this para-
19 graph, if the act or practice exploits popular reaction to
20 the national emergency or major disaster that is the basis
21 for such period, or to the international disaster.

22 “(E) In this paragraph—

23 “(i) the term ‘national emergency period’ means
24 the period 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;

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.); and

12 “(iii) the term ‘international disaster’ means
13 any natural or man-made disaster in response to
14 which the President furnishes assistance to any for-
15 eign country, international organization, or private
16 voluntary organization pursuant to section 491 of
17 the Foreign Assistance Act (22 U.S.C. 2292(b)).”.

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

22 “(e)(1) If a person, partnership, or corporation is
23 found, in an action under subsection (b), to have com-
24 mitted a violation involving an unfair or deceptive act or
25 practice in a national emergency period or a disaster pe-

1 riod, or relating to an international disaster, and if the
2 act or practice exploits popular reaction to the national
3 emergency or major disaster that is the basis for such pe-
4 riod, or to the international disaster, the court, after
5 awarding equitable relief (if any) under any other author-
6 ity of the court, shall hold the person, partnership, or cor-
7 poration liable for a civil penalty of not more than \$22,000
8 for each such violation.

9 “(2) In this subsection—

10 “(A) the term ‘national emergency period’
11 means the period that—

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

15 “(ii) ends on the expiration of the 1-year
16 period beginning on the date of the termination
17 of the national emergency;

18 “(B) the term ‘disaster period’ means the 1-
19 year period beginning on the date the President de-
20 clares an emergency or major disaster under the
21 Robert T. Stafford Disaster Relief and Emergency
22 Assistance Act (42 U.S.C. 5121 et seq.); and

23 “(C) the term ‘international disaster’ means
24 any natural or man-made disaster in response to
25 which the President furnishes assistance to any for-

1 eign country, international organization, or private
2 voluntary organization pursuant to section 491 of
3 the Foreign Assistance Act (22 U.S.C. 2292(b)).”.

 Passed the House of Representatives October 25,
2005.

Attest:

JEFF TRANDAHL,

Clerk.