

Union Calendar No. 218

110TH CONGRESS
1ST SESSION

H. R. 400

[Report No. 110-353]

To prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2007

Mr. ABERCROMBIE introduced the following bill; which was referred to the Committee on the Judiciary

SEPTEMBER 27, 2007

Additional sponsors: Mr. MCGOVERN, Mr. JOHNSON of Georgia, Ms. SCHAKOWSKY, Mr. DEFAZIO, Mr. ETHERIDGE, Ms. CORRINE BROWN of Florida, Mr. FATTAH, Ms. VELÁZQUEZ, Ms. HIRONO, Ms. HARMAN, Mr. KILDEE, and Mr. GEORGE MILLER of California

SEPTEMBER 27, 2007

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on January 11, 2007]

A BILL

To prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes.

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 “War Profiteering Pre-*
3 *vention Act of 2007”.*

4 **SEC. 2. PROHIBITION OF PROFITEERING.**

5 *(a) PROHIBITION.—*

6 *(1) IN GENERAL.—Chapter 47 of title 18, United*
7 *States Code, is amended by adding at the end the fol-*
8 *lowing:*

9 **“§ 1040. War profiteering and fraud**

10 *“(a) PROHIBITION.—*

11 *“(1) IN GENERAL.—Whoever, in any matter in-*
12 *volving a contract or the provision of goods or services*
13 *to the United States or a provisional authority, in*
14 *connection with a mission of the United States Gov-*
15 *ernment overseas, knowingly—*

16 *“(A)(i) executes or attempts to execute a*
17 *scheme or artifice to defraud the United States*
18 *or that authority; or*

19 *“(ii) materially overvalues any good or*
20 *service with the intent to defraud the United*
21 *States or that authority;*

22 *shall be fined under paragraph (2), imprisoned*
23 *not more than 20 years, or both; or*

24 *“(B) in connection with the contract or the*
25 *provision of those goods or services—*

1 “(i) falsifies, conceals, or covers up by
2 any trick, scheme, or device a material fact;

3 “(ii) makes any materially false, ficti-
4 tious, or fraudulent statements or represen-
5 tations; or

6 “(iii) makes or uses any materially
7 false writing or document knowing the same
8 to contain any materially false, fictitious or
9 fraudulent statement or entry;

10 shall be fined under paragraph (2) imprisoned
11 not more than 10 years, or both.

12 “(2) FINE.—A person convicted of an offense
13 under paragraph (1) may be fined the greater of—

14 “(A) \$1,000,000; or

15 “(B) if such person derives profits or other
16 proceeds from the offense, not more than twice
17 the gross profits or other proceeds.

18 “(b) EXTRATERRITORIAL JURISDICTION.—There is
19 extraterritorial Federal jurisdiction over an offense under
20 this section.

21 “(c) VENUE.—A prosecution for an offense under this
22 section may be brought—

23 “(1) as authorized by chapter 211 of this title;

24 “(2) in any district where any act in further-
25 ance of the offense took place; or

1 “(3) in any district where any party to the con-
2 tract or provider of goods or services is located.”.

3 (2) *TABLE OF SECTIONS.*—The table of sections
4 for chapter 47 of title 18, United States Code, is
5 amended by adding at the end the following:

 “1040. War profiteering and fraud.”.

6 (b) *CRIMINAL FORFEITURE.*—Section 982(a)(2)(B) of
7 title 18, United States Code, is amended by striking “or
8 1030” and inserting “1030, or 1040”.

9 (c) *MONEY LAUNDERING.*—Section 1956(c)(7)(D) of
10 title 18, United States Code, is amended by inserting “sec-
11 tion 1040 (relating to war profiteering and fraud),” after
12 “liquidating agent of financial institution),”.

13 (d) *RICO.*—Section 1961(1) of title 18, United States
14 Code, is amended by inserting “section 1040 (relating to
15 war profiteering and fraud),” after “in connection with ac-
16 cess devices),”.

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