

Calendar No. 669

109TH CONGRESS
2^D 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

DECEMBER 5, 2006

Reported by Mr. STEVENS, without amendment

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”.

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

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

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

17 “(E) In this paragraph—

18 “(i) the term ‘national emergency period’ means
19 the period that—

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

23 “(II) ends on the expiration of the 1-year
24 period beginning on the date of the termination
25 of the national emergency;

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

6 “(iii) the term ‘international disaster’ means
7 any natural or man-made disaster in response to
8 which the President furnishes assistance to any for-
9 eign country, international organization, or private
10 voluntary organization pursuant to section 491 of
11 the Foreign Assistance Act (22 U.S.C. 2292(b)).”.

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 a national emergency period or a disaster pe-
20 riod, or relating to an international disaster, and if the
21 act or practice exploits popular reaction to the national
22 emergency or major disaster that is the basis for such pe-
23 riod, or to the international disaster, the court, after
24 awarding equitable relief (if any) under any other author-
25 ity of the court, shall hold the person, partnership, or cor-

1 poration liable for a civil penalty of not more than \$22,000
2 for each such violation.

3 “(2) In this subsection—

4 “(A) the term ‘national emergency period’
5 means the period 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;

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.); and

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

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