

of our fellow human beings. It is a practice formerly, and still largely, known as slavery; in recent years, it has reemerged in a world more interconnected than ever, under the title of "human trafficking".

Human smuggling is a terrible crime. This activity attracts and creates the worst sorts of criminal—it is often conducted by organized crime and exposes Federal agents to increased danger in their enforcement efforts. Despite this, United States Customs and Border Protection has in the past, repeatedly arrested many human smugglers only to see them freed by the Federal Government without prosecution. These repeated encounters are extremely demoralizing to the Border Patrol, especially when under great pressure to do more to stop illegal border crossings.

But we are seeing signs of hope. Federal prosecutions of human smugglers have increased in recent months resulting in decreased repeat offenses and arrests and uplifted Border Patrol morale. Furthermore, the United States is one of the leaders in the fight against human trafficking, and this is reflected in a number of acts by this body that define and expand the U.S. Government's role in the war against human trafficking—laws like the Trafficking Victims Protection Act of 2000, the Trafficking Victims Protection Reauthorization Act of 2003, the Trafficking Victims Protection Reauthorization Act of 2005.

The interagency Human Smuggling and Trafficking Center, HSTC, brings together Federal agency representatives from policy, law enforcement, intelligence, and diplomatic sectors, so they can work together on a full-time basis to achieve increased effectiveness and to convert intelligence into effective law enforcement and other action. This includes the Department of State, DOS, the Department of Homeland Security, DHS, and the Department of Justice, DOJ. The HSTC also serves as a clearinghouse for trafficking information.

A week ago yesterday, in my city of Houston, a U.S. District judge passed the last sentence on one of eight defendants—a man by the name of Maximino Mondragon—in a case that illustrates much of what we condemn and commend here today. Mondragon and his conspirators lured the women to the United States with false promises of legitimate jobs. Once here, traffickers charged the women huge fees for their trip and expenses and held them as prisoners until they could work off what, for many, seemed to be impossible debts. The women were forced to wear skimpy clothes and sell high-priced drinks to men at local cantinas who were then allowed to touch them. And now many of them are beginning prison terms to last 13 or 15 years, and have been made to pay \$1.7 million in restitution, a small consolation for their ordeal.

I support this bill—praising the Department of Justice for increasing the rate of human smuggler prosecutions, urging the Department of Justice to continue to hunt down and prosecute men like Mondragon.

Mr. COHEN. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee (Mr. COHEN) that the House suspend the rules and agree to the resolution, H. Res. 14, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. COHEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

FRAUD ENFORCEMENT AND RECOVERY ACT OF 2009

Mr. SCOTT of Virginia. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 386) to improve enforcement of mortgage fraud, securities fraud, financial institution fraud, and other frauds related to federal assistance and relief programs, for the recovery of funds lost to these frauds, and for other purposes, as amended.

The Clerk read the title of the Senate bill.

The text of the Senate bill is as follows:

S. 386

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fraud Enforcement and Recovery Act of 2009" or "FERA".

SEC. 2. AMENDMENTS TO IMPROVE MORTGAGE, SECURITIES, COMMODITIES, AND FINANCIAL FRAUD RECOVERY AND ENFORCEMENT.

(a) DEFINITION OF FINANCIAL INSTITUTION AMENDED TO INCLUDE MORTGAGE LENDING BUSINESS.—Section 20 of title 18, United States Code, is amended—

(1) in paragraph (8), by striking "or" after the semicolon;

(2) in paragraph (9), by striking the period and inserting "; or"; and

(3) by inserting at the end the following: "(10) a mortgage lending business (as defined in section 27 of this title) or any person or entity that makes in whole or in part a federally related mortgage loan as defined in section 3 of the Real Estate Settlement Procedures Act of 1974.".

(b) MORTGAGE LENDING BUSINESS DEFINED.—

(1) IN GENERAL.—Chapter 1 of title 18, United States Code, is amended by inserting after section 26 the following:

"§ 27. Mortgage lending business defined

"In this title, the term 'mortgage lending business' means an organization which finances or refinances any debt secured by an interest in real estate, including private mortgage companies and any subsidiaries of such organizations, and whose activities affect interstate or foreign commerce."

(2) CHAPTER ANALYSIS.—The chapter analysis for chapter 1 of title 18, United States Code, is amended by adding at the end the following:

"27. Mortgage lending business defined."

(c) FALSE STATEMENTS IN MORTGAGE APPLICATIONS AMENDED TO INCLUDE FALSE STATEMENTS BY MORTGAGE BROKERS AND AGENTS OF MORTGAGE LENDING BUSINESSES.—Section 1014 of title 18, United States Code, is amended by—

(1) striking "or" after "the International Banking Act of 1978,"; and

(2) inserting after "section 25(a) of the Federal Reserve Act" the following: ", or a

mortgage lending business, or any person or entity that makes in whole or in part a federally related mortgage loan as defined in section 3 of the Real Estate Settlement Procedures Act of 1974".

(d) MAJOR FRAUD AGAINST THE GOVERNMENT AMENDED TO INCLUDE ECONOMIC RELIEF AND TROUBLED ASSET RELIEF PROGRAM FUNDS.—Section 1031(a) of title 18, United States Code, is amended by—

(1) inserting after "or promises, in" the following: "any grant, contract, subcontract, subsidy, loan, guarantee, insurance, or other form of Federal assistance, including through the Troubled Asset Relief Program, an economic stimulus, recovery or rescue plan provided by the Government, or the Government's purchase of any troubled asset as defined in the Emergency Economic Stabilization Act of 2008, or in";

(2) striking "the contract, subcontract" and inserting "such grant, contract, subcontract, subsidy, loan, guarantee, insurance, or other form of Federal assistance"; and

(3) striking "for such property or services".

(e) SECURITIES FRAUD AMENDED TO INCLUDE FRAUD INVOLVING OPTIONS AND FUTURES IN COMMODITIES.—

(1) IN GENERAL.—Section 1348 of title 18, United States Code, is amended—

(A) in the caption, by inserting "AND COMMODITIES" after "SECURITIES";

(B) in paragraph (1), by inserting "any commodity for future delivery, or any option on a commodity for future delivery, or" after "any person in connection with"; and

(C) in paragraph (2), by inserting "any commodity for future delivery, or any option on a commodity for future delivery, or" after "in connection with the purchase or sale of".

(2) CHAPTER ANALYSIS.—The item for section 1348 in the chapter analysis for chapter 63 of title 18, United States Code, is amended by inserting "and commodities" after "Securities".

(f) MONEY LAUNDERING AMENDED TO DEFINE PROCEEDS OF SPECIFIED UNLAWFUL ACTIVITY.—

(1) MONEY LAUNDERING.—Section 1956(c) of title 18, United States Code, is amended—

(A) in paragraph (8), by striking the period and inserting "; and"; and

(B) by inserting at the end the following: "(9) the term 'proceeds' means any property derived from or obtained or retained, directly or indirectly, through some form of unlawful activity, including the gross receipts of such activity.".

(2) MONETARY TRANSACTIONS.—Section 1957(f) of title 18, United States Code, is amended by striking paragraph (3) and inserting the following:

"(3) the terms 'specified unlawful activity' and 'proceeds' shall have the meaning given those terms in section 1956 of this title."

(g) SENSE OF THE CONGRESS AND REPORT CONCERNING REQUIRED APPROVAL FOR MERGER CASES.—

(1) SENSE OF CONGRESS.—It is the sense of the Congress that no prosecution of an offense under section 1956 or 1957 of title 18, United States Code, should be undertaken in combination with the prosecution of any other offense, without prior approval of the Attorney General, the Deputy Attorney General, the Assistant Attorney General in charge of the Criminal Division, a Deputy Assistant Attorney General in the Criminal Division, or the relevant United States Attorney, if the conduct to be charged as "specified unlawful activity" in connection with the offense under section 1956 or 1957 is so closely connected with the conduct to be charged as the other offense that there is no clear delineation between the two offenses.

(2) REPORT.—One year after the date of the enactment of this Act, and at the end of each of the four succeeding one-year periods, the Attorney General shall report to the House and Senate Committees on the Judiciary on efforts undertaken by the Department of Justice to ensure that the review and approval described in paragraph (1) takes place in all appropriate cases. The report shall include the following:

(A) The number of prosecutions described in paragraph (1) that were undertaken during the previous one-year period after prior approval by an official described in paragraph (1), classified by type of offense and by the approving official.

(B) The number of prosecutions described in paragraph (1) that were undertaken during the previous one-year period without such prior approval, classified by type of offense, and the reasons why such prior approval was not obtained.

(C) The number of times during the previous year in which an approval described in paragraph (1) was denied.

SEC. 3. AUTHORIZATION OF ADDITIONAL FUNDING TO COMBAT MORTGAGE FRAUD, SECURITIES AND COMMODITIES FRAUD, AND OTHER FRAUDS INVOLVING FEDERAL ECONOMIC ASSISTANCE.

(a) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE DEPARTMENT OF JUSTICE.—

(1) IN GENERAL.—There is authorized to be appropriated to the Attorney General, \$165,000,000 for each of the fiscal years 2010 and 2011, for the purposes of investigations and prosecutions and civil and administrative proceedings involving Federal assistance programs and financial institutions, including financial institutions to which this Act and amendments made by this Act apply.

(2) ALLOCATIONS.—With respect to fiscal years 2010 and 2011, the amounts authorized to be appropriated under paragraph (1) shall be allocated as follows:

(A) Federal Bureau of Investigation: \$75,000,000 for fiscal year 2010 and \$65,000,000 for fiscal year 2011, an appropriate percentage of which amounts shall be used to investigate mortgage fraud.

(B) The offices of the United States Attorneys: \$50,000,000 for each fiscal year.

(C) The criminal division of the Department of Justice: \$20,000,000 for each fiscal year.

(D) The civil division of the Department of Justice: \$15,000,000 for each fiscal year.

(E) The tax division of the Department of Justice: \$5,000,000 for each fiscal year.

(b) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE POSTAL INSPECTION SERVICE.—There is authorized to be appropriated to the Postal Inspection Service of the United States Postal Service, \$30,000,000 for each of the fiscal years 2010 and 2011 for investigations involving Federal assistance programs and financial institutions, including financial institutions to which this Act and amendments made by this Act apply.

(c) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE INSPECTOR GENERAL FOR THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—There is authorized to be appropriated to the Inspector General of the Department of Housing and Urban Development, \$30,000,000 for each of the fiscal years 2010 and 2011 for investigations involving Federal assistance programs and financial institutions, including financial institutions to which this Act and amendments made by this Act apply.

(d) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE UNITED STATES SECRET SERVICE.—There is authorized to be appropriated to the United States Secret Service

of the Department of Homeland Security, \$20,000,000 for each of the fiscal years 2010 and 2011 for investigations involving Federal assistance programs and financial institutions, including financial institutions to which this Act and amendments made by this Act apply.

(e) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE SECURITIES AND EXCHANGE COMMISSION.—

(1) IN GENERAL.—There is authorized to be appropriated to the Securities and Exchange Commission, \$20,000,000 for each of the fiscal years 2010 and 2011 for investigations and enforcement proceedings involving financial institutions, including financial institutions to which this Act and amendments made by this Act apply.

(2) INSPECTOR GENERAL.—There is authorized to be appropriated to the Securities and Exchange Commission, \$1,000,000 for each of the fiscal years 2010 and 2011 for the salaries and expenses of the Office of the Inspector General of the Securities and Exchange Commission.

(f) USE OF FUNDS.—

(1) IN GENERAL.—The funds appropriated pursuant to authorization under this section shall be limited to covering the costs of each listed agency or department for investigating possible criminal, civil, or administrative violations and for criminal, civil, or administrative proceedings involving financial crimes and crimes against Federal assistance programs, including mortgage fraud, securities and commodities fraud, financial institution fraud, and other frauds related to Federal assistance and relief programs.

(2) FUNDS FOR TRAINING AND RESEARCH.—Funds authorized to be appropriated under this section may be used and expended for programs for improving the detection, investigation, and prosecution of economic crime including financial fraud and mortgage fraud. Funds allocated under this section may be allocated to programs which assist State and local criminal justice agencies to develop, establish, and maintain intelligence-focused policing strategies and related information sharing; provide training and investigative support services to State and local criminal justice agencies to provide such agencies with skills and resources needed to investigate and prosecute such criminal activities and related criminal activities; provide research support, establish partnerships, and provide other resources to aid State and local criminal justice agencies to prevent, investigate, and prosecute such criminal activities and related problems; provide information and research to the general public to facilitate the prevention of such criminal activities; and any other programs specified by the Attorney General as furthering the purposes of this Act.

(g) ADDITIONAL NATURE OF AUTHORIZATIONS; AVAILABILITY.—The amounts authorized under this section are in addition to amounts otherwise authorized in other Acts and shall remain available until expended.

(h) REPORT TO CONGRESS.—Following the final expenditure of all funds appropriated pursuant to authorization under this section, the Attorney General, in consultation with the United States Postal Inspection Service, the Inspector General for the Department of Housing and Urban Development, the Secretary of Homeland Security, and the Commissioner of the Securities and Exchange Commission, shall submit a report to Congress identifying—

(1) the amounts expended under each of subsections (a), (b), (c), (d), and (e) and a certification of compliance with the requirements listed in subsection (f); and

(2) the amounts recovered as a result of criminal or civil restitution, fines, penalties,

and other monetary recoveries resulting from criminal, civil, or administrative proceedings and settlements undertaken with funds authorized by this Act.

SEC. 4. CLARIFICATIONS TO THE FALSE CLAIMS ACT TO REFLECT THE ORIGINAL INTENT OF THE LAW.

(a) CLARIFICATION OF THE FALSE CLAIMS ACT.—Section 3729 of title 31, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

“(a) LIABILITY FOR CERTAIN ACTS.—

“(1) IN GENERAL.—Subject to paragraph (2), any person who—

“(A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

“(B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

“(C) conspires to commit a violation of subparagraph (A), (B), (D), (E), (F), or (G);

“(D) has possession, custody, or control of property or money used, or to be used, by the Government and knowingly delivers, or causes to be delivered, less than all of that money or property;

“(E) is authorized to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true;

“(F) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge property; or

“(G) knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the Government,

is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104-410), plus 3 times the amount of damages which the Government sustains because of the act of that person.

“(2) REDUCED DAMAGES.—If the court finds that—

“(A) the person committing the violation of this subsection furnished officials of the United States responsible for investigating false claims violations with all information known to such person about the violation within 30 days after the date on which the defendant first obtained the information;

“(B) such person fully cooperated with any Government investigation of such violation; and

“(C) at the time such person furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation,

the court may assess not less than 2 times the amount of damages which the Government sustains because of the act of that person.

“(3) COSTS OF CIVIL ACTIONS.—A person violating this subsection shall also be liable to the United States Government for the costs of a civil action brought to recover any such penalty or damages.”;

(2) by striking subsections (b) and (c) and inserting the following:

“(b) DEFINITIONS.—For purposes of this section—

“(1) the terms ‘knowing’ and ‘knowingly’—
“(A) mean that a person, with respect to information—

“(i) has actual knowledge of the information;

“(ii) acts in deliberate ignorance of the truth or falsity of the information; or

“(iii) acts in reckless disregard of the truth or falsity of the information; and

“(B) require no proof of specific intent to defraud;

“(2) the term ‘claim’—

“(A) means any request or demand, whether under a contract or otherwise, for money or property and whether or not the United States has title to the money or property, that—

“(i) is presented to an officer, employee, or agent of the United States; or

“(ii) is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the Government’s behalf or to advance a Government program or interest, and if the United States Government—

“(I) provides or has provided any portion of the money or property requested or demanded; or

“(II) will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; and

“(B) does not include requests or demands for money or property that the Government has paid to an individual as compensation for Federal employment or as an income subsidy with no restrictions on that individual’s use of the money or property;

“(3) the term ‘obligation’ means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment; and

“(4) the term ‘material’ means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.”;

(3) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively; and

(4) in subsection (c), as redesignated, by striking “subparagraphs (A) through (C) of subsection (a)” and inserting “subsection (a)(2)”.

(b) INTERVENTION BY THE GOVERNMENT.—Section 3731(b) of title 31, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by redesignating subsection (d) as subsection (e); and

(3) by inserting the new subsection (c):

“(c) If the Government elects to intervene and proceed with an action brought under 3730(b), the Government may file its own complaint or amend the complaint of a person who has brought an action under section 3730(b) to clarify or add detail to the claims in which the Government is intervening and to add any additional claims with respect to which the Government contends it is entitled to relief. For statute of limitations purposes, any such Government pleading shall relate back to the filing date of the complaint of the person who originally brought the action, to the extent that the claim of the Government arises out of the conduct, transactions, or occurrences set forth, or attempted to be set forth, in the prior complaint of that person.”.

(c) CIVIL INVESTIGATIVE DEMANDS.—Section 3733 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A)—

(I) by inserting “, or a designee (for purposes of this section),” after “Whenever the Attorney General”; and

(II) by striking “the Attorney General may, before commencing a civil proceeding under section 3730 or other false claims law,” and inserting “the Attorney General, or a designee, may, before commencing a civil proceeding under section 3730(a) or other false claims law, or making an election under section 3730(b),”; and

(ii) in the matter following subparagraph (D)—

(I) by striking “may not delegate” and inserting “may delegate”; and

(II) by adding at the end the following: “Any information obtained by the Attorney General or a designee of the Attorney General under this section may be shared with any qui tam relator if the Attorney General or designee determine it is necessary as part of any false claims act investigation.”; and

(B) in paragraph (2)(G), by striking the second sentence;

(2) in subsection (i)(2)—

(A) in subparagraph (B), by striking “, who is authorized for such use under regulations which the Attorney General shall issue”; and

(B) in subparagraph (C), by striking “Disclosure of information to any such other agency shall be allowed only upon application, made by the Attorney General to a United States district court, showing substantial need for the use of the information by such agency in furtherance of its statutory responsibilities.”; and

(3) in subsection (1)—

(A) in paragraph (6), by striking “and” after the semicolon;

(B) in paragraph (7), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(8) the term ‘official use’ means any use that is consistent with the law, and the regulations and policies of the Department of Justice, including use in connection with internal Department of Justice memoranda and reports; communications between the Department of Justice and a Federal, State, or local government agency, or a contractor of a Federal, State, or local government agency, undertaken in furtherance of a Department of Justice investigation or prosecution of a case; interviews of any qui tam relator or other witness; oral examinations; depositions; preparation for and response to civil discovery requests; introduction into the record of a case or proceeding; applications, motions, memoranda and briefs submitted to a court or other tribunal; and communications with Government investigators, auditors, consultants and experts, the counsel of other parties, arbitrators and mediators, concerning an investigation, case or proceeding.”.

(d) RELIEF FROM RETALIATORY ACTIONS.—Section 3730(h) of title 31, United States Code, is amended to read as follows:

“(h) RELIEF FROM RETALIATORY ACTIONS.—

“(1) IN GENERAL.—Any employee, contractor, or agent shall be entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, or agent on behalf of the employee, contractor, or agent or associated others in furtherance of other efforts to stop 1 or more violations of this subchapter.

“(2) RELIEF.—Relief under paragraph (1) shall include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimi-

nation, 2 times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys’ fees. An action under this subsection may be brought in the appropriate district court of the United States for the relief provided in this subsection.”.

(e) FALSE CLAIMS JURISDICTION.—Section 3732 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(c) SERVICE ON STATE OR LOCAL AUTHORITIES.—With respect to any State or local government that is named as a co-plaintiff with the United States in an action brought under subsection (b), a seal on the action ordered by the court under section 3730(b) shall not preclude the Government or the person bringing the action from serving the complaint, any other pleadings, or the written disclosure of substantially all material evidence and information possessed by the person bringing the action on the law enforcement authorities that are authorized under the law of that State or local government to investigate and prosecute such actions on behalf of such governments, except that such seal applies to the law enforcement authorities so served to the same extent as the seal applies to other parties in the action.”.

(f) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on the date of enactment of this Act and shall apply to conduct on or after the date of enactment, except that—

(1) subparagraph (B) of section 3729(a)(1) of title 31, United States Code, as added by subsection (a)(1), shall take effect as if enacted on June 7, 2008, and apply to all claims under the False Claims Act (31 U.S.C. 3729 et seq.) that are pending on or after that date; and

(2) section 3731(b) of title 31, as amended by subsection (b); section 3733, of title 31, as amended by subsection (c); and section 3732 of title 31, as amended by subsection (e); shall apply to cases pending on the date of enactment.

SEC. 5. FINANCIAL CRISIS INQUIRY COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is established in the legislative branch the Financial Crisis Inquiry Commission (in this section referred to as the “Commission”) to examine the causes, domestic and global, of the current financial and economic crisis in the United States.

(b) COMPOSITION OF THE COMMISSION.—

(1) MEMBERS.—The Commission shall be composed of 10 members, of whom—

(A) 3 members shall be appointed by the majority leader of the Senate, in consultation with relevant Committees;

(B) 3 members shall be appointed by the Speaker of the House of Representatives, in consultation with relevant Committees;

(C) 2 members shall be appointed by the minority leader of the Senate, in consultation with relevant Committees; and

(D) 2 members shall be appointed by the minority leader of the House of Representatives, in consultation with relevant Committees.

(2) QUALIFICATIONS; LIMITATION.—

(A) IN GENERAL.—It is the sense of the Congress that individuals appointed to the Commission should be prominent United States citizens with national recognition and significant depth of experience in such fields as banking, regulation of markets, taxation, finance, economics, consumer protection, and housing.

(B) LIMITATION.—No person who is a member of Congress or an officer or employee of the Federal Government or any State or local government may serve as a member of the Commission.

(3) CHAIRPERSON; VICE CHAIRPERSON.—

(A) IN GENERAL.—Subject to the requirements of subparagraph (B), the Chairperson of the Commission shall be selected jointly by the Majority Leader of the Senate and the Speaker of the House of Representatives, and the Vice Chairperson shall be selected jointly by the Minority Leader of the Senate and the Minority Leader of the House of Representatives.

(B) POLITICAL PARTY AFFILIATION.—The Chairperson and Vice Chairperson of the Commission may not be from the same political party.

(4) MEETINGS, QUORUM; VACANCIES.—

(A) MEETINGS.—

(i) INITIAL MEETING.—The initial meeting of the Commission shall be as soon as possible after a quorum of members have been appointed.

(ii) SUBSEQUENT MEETINGS.—After the initial meeting of the Commission, the Commission shall meet upon the call of the Chairperson or a majority of its members.

(B) QUORUM.—6 members of the Commission shall constitute a quorum.

(C) VACANCIES.—Any vacancy on the Commission shall—

(i) not affect the powers of the Commission; and

(ii) be filled in the same manner in which the original appointment was made.

(c) FUNCTIONS OF THE COMMISSION.—The functions of the Commission are—

(1) to examine the causes of the current financial and economic crisis in the United States, specifically the role of—

(A) fraud and abuse in the financial sector, including fraud and abuse towards consumers in the mortgage sector;

(B) Federal and State financial regulators, including the extent to which they enforced, or failed to enforce statutory, regulatory, or supervisory requirements;

(C) the global imbalance of savings, international capital flows, and fiscal imbalances of various governments;

(D) monetary policy and the availability and terms of credit;

(E) accounting practices, including, mark-to-market and fair value rules, and treatment of off-balance sheet vehicles;

(F) tax treatment of financial products and investments;

(G) capital requirements and regulations on leverage and liquidity, including the capital structures of regulated and non-regulated financial entities;

(H) credit rating agencies in the financial system, including, reliance on credit ratings by financial institutions and Federal financial regulators, the use of credit ratings in financial regulation, and the use of credit ratings in the securitization markets;

(I) lending practices and securitization, including the originate-to-distribute model for extending credit and transferring risk;

(J) affiliations between insured depository institutions and securities, insurance, and other types of nonbanking companies;

(K) the concept that certain institutions are “too-big-to-fail” and its impact on market expectations;

(L) corporate governance, including the impact of company conversions from partnerships to corporations;

(M) compensation structures;

(N) changes in compensation for employees of financial companies, as compared to compensation for others with similar skill sets in the labor market;

(O) the legal and regulatory structure of the United States housing market;

(P) derivatives and unregulated financial products and practices, including credit default swaps;

(Q) short-selling;

(R) financial institution reliance on numerical models, including risk models and credit ratings;

(S) the legal and regulatory structure governing financial institutions, including the extent to which the structure creates the opportunity for financial institutions to engage in regulatory arbitrage;

(T) the legal and regulatory structure governing investor and mortgage protection;

(U) financial institutions and government-sponsored enterprises; and

(V) the quality of due diligence undertaken by financial institutions;

(2) to examine the causes of the collapse of each major financial institution that failed (including institutions that were acquired to prevent their failure) or was likely to have failed if not for the receipt of exceptional Government assistance from the Secretary of the Treasury during the period beginning in August 2007 through April 2009;

(3) to submit a report under subsection (h);

(4) to refer to the Attorney General of the United States and any appropriate State attorney general any person that the Commission finds may have violated the laws of the United States in relation to such crisis; and

(5) to build upon the work of other entities, and avoid unnecessary duplication, by reviewing the record of the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, other congressional committees, the Government Accountability Office, other legislative panels, and any other department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the United States (to the fullest extent permitted by law) with respect to the current financial and economic crisis.

(d) POWERS OF THE COMMISSION.—

(1) HEARINGS AND EVIDENCE.—The Commission may, for purposes of carrying out this section—

(A) hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths; and

(B) require, by subpoena or otherwise, the attendance and testimony of witnesses and the production of books, records, correspondence, memoranda, papers, and documents.

(2) SUBPOENAS.—

(A) SERVICE.—Subpoenas issued under paragraph (1)(B) may be served by any person designated by the Commission.

(B) ENFORCEMENT.—

(i) IN GENERAL.—In the case of contumacy or failure to obey a subpoena issued under paragraph (1)(B), the United States district court for the judicial district in which the subpoenaed person resides, is served, or may be found, or where the subpoena is returnable, may issue an order requiring such person to appear at any designated place to testify or to produce documentary or other evidence. Any failure to obey the order of the court may be punished by the court as a contempt of that court.

(ii) ADDITIONAL ENFORCEMENT.—Sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192 through 194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under the authority of this section.

(iii) ISSUANCE.—A subpoena may be issued under this subsection only—

(I) by the agreement of the Chairperson and the Vice Chairperson; or

(II) by the affirmative vote of a majority of the Commission, a majority being present.

(3) CONTRACTING.—The Commission may enter into contracts to enable the Commission to discharge its duties under this section.

(4) INFORMATION FROM FEDERAL AGENCIES AND OTHER ENTITIES.—

(A) IN GENERAL.—The Commission may secure directly from any department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the United States any information related to any inquiry of the Commission conducted under this section, including information of a confidential nature (which the Commission shall maintain in a secure manner). Each such department, agency, bureau, board, commission, office, independent establishment, or instrumentality shall furnish such information directly to the Commission upon request.

(B) OTHER ENTITIES.—It is the sense of the Congress that the Commission should seek testimony or information from principals and other representatives of government agencies and private entities that were significant participants in the United States and global financial and housing markets during the time period examined by the Commission.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission—

(A) the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this Act; and

(B) other Federal departments and agencies may provide to the Commission any administrative support services as may be determined by the head of such department or agency to be advisable and authorized by law.

(6) DONATIONS OF GOODS AND SERVICES.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(7) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(8) POWERS OF SUBCOMMITTEES, MEMBERS, AND AGENTS.—Any subcommittee, member, or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(e) STAFF OF THE COMMISSION.—

(1) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Chairperson and the Vice Chairperson, acting jointly.

(2) STAFF.—The Chairperson and the Vice Chairperson may jointly appoint additional personnel, as may be necessary, to enable the Commission to carry out its functions.

(3) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this paragraph may exceed the equivalent of that payable for a position at level V of the Executive Schedule under section 5316 of title 5, United States Code. Any individual appointed under paragraph (1) or (2) shall be treated as an employee for purposes of chapters 63, 81, 83, 84, 85, 87, 89, 89A, 89B, and 90 of that title.

(4) DETAILEES.—Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(5) CONSULTANT SERVICES.—The Commission is authorized to procure the services of

experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(f) COMPENSATION AND TRAVEL EXPENSES.—

(1) COMPENSATION.—Each member of the Commission may be compensated at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission.

(2) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(g) NONAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

(h) REPORT OF THE COMMISSION; APPEARANCE BEFORE AND CONSULTATIONS WITH CONGRESS.—

(1) REPORT.—On December 15, 2010, the Commission shall submit to the President and to the Congress a report containing the findings and conclusions of the Commission on the causes of the current financial and economic crisis in the United States.

(2) INSTITUTION-SPECIFIC REPORTS AUTHORIZED.—At the discretion of the chairperson of the Commission, the report under paragraph (1) may include reports or specific findings on any financial institution examined by the Commission under subsection (c)(2).

(3) APPEARANCE BEFORE THE CONGRESS.—The chairperson of the Commission shall, not later than 120 days after the date of submission of the final reports under paragraph (1), appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding such reports and the findings of the Commission.

(4) CONSULTATIONS WITH THE CONGRESS.—The Commission shall consult with the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and other relevant committees of the Congress, for purposes of informing the Congress on the work of the Commission.

(i) TERMINATION OF COMMISSION.—

(1) IN GENERAL.—The Commission, and all the authorities of this section, shall terminate 60 days after the date on which the final report is submitted under subsection (h).

(2) ADMINISTRATIVE ACTIVITIES BEFORE TERMINATION.—The Commission may use the 60-day period referred to in paragraph (1) for the purpose of concluding the activities of the Commission, including providing testimony to committees of the Congress concerning reports of the Commission and disseminating the final report submitted under subsection (h).

(j) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to the Secretary of the Treasury such sums as are necessary to cover the costs of the Commission.

Amend the title so as to read: "An Act to improve enforcement of mortgage fraud, securities and commodities fraud, financial institution fraud, and other frauds related to Federal assistance and relief programs, for the recovery of funds lost to these frauds, and for other purposes."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. SCOTT) and the gentleman from California (Mr. ISSA) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

Mr. SCOTT of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SCOTT of Virginia. I yield myself such time as I may consume.

The Fraud Enforcement and Recovery Act of 2009 is crafted to combat financial fraud that contributed to causing and worsening our Nation's current economic crisis. We are bringing to the floor a bill that represents a consensus of efforts for the House and Senate, each acting on a bipartisan basis, blending the Senate-passed bill with H.R. 1748, the Fight Fraud Act of 2009, which the House Judiciary Committee reported last week.

This bill amends the Federal criminal fraud statutes to reach the full range of fraud and other financial crimes that have come to light as the financial crisis has unfolded. The bill amends the definition of "financial institution" and fraud statutes to make it clear that financial institutions include mortgage lending businesses. It amends the securities fraud statute to make it clear that securities fraud includes commodities fraud. It makes it clear that it is a felony for a mortgage broker to knowingly make a materially false statement on a loan application or fraudulently overvalue property in order to influence any action by a mortgage lending business. Of course, that is already a crime, and the bill clearly states this fact just in case anybody thought it was okay to cheat and defraud a mortgage lending business during the mortgage process.

It amends Federal money laundering statutes to make them more effective in the context of fraud prosecutions and to ensure their appropriate use. It also seeks to deter fraud from undermining the TARP and economic stimulus package efforts recently passed by explicitly making fraud in those cases a felony.

In addition to amending criminal statutes, S-386 clarifies key provisions of the False Claims Act in order to more effectively enlist private citizens in helping root out fraud against the government and bring its perpetrators to justice.

Now, Mr. Speaker, I think the most important part of the bill, in my judgment, is not the clarification of various fraud sections in the criminal code, but its authorization of resources to investigate and prosecute fraudulent activities. Additional authorization for the

FBI, for example, would enable it to nearly double the size of its mortgage and financial fraud program. The U.S. Attorneys offices and other components of the Justice Department and other Federal agencies involved in investigating fraud would also receive increased authorizations. Additional funds provided pursuant to the new authorizations can be used not only for Federal investigations and enforcement, but also to support State and local law enforcement efforts in this area, including training, technical assistance, expertise and other support provided through programs such as the National White Collar Crime Center.

Mr. Speaker, many financial crimes today go unpunished because law enforcement agencies simply lack the resources to investigate and prosecute financial crimes such as ID theft, mortgage fraud or organized retail theft. This bill will empower Federal law enforcement officials to hold criminals accountable for their crimes.

And finally, Mr. Speaker, the bill incorporates legislation by the gentleman from Connecticut (Mr. LARSON) which will create an independent, bipartisan commission with subpoena power to examine more broadly the circumstances giving rise to the current financial crisis.

I would like to commend the Judiciary Committee's chairman, the gentleman from Michigan (Mr. CONYERS), the ranking member, the gentleman from Texas (Mr. SMITH), the ranking member of the subcommittee, the gentleman from Texas (Mr. GOHMERT) and others on the committee, as well as the gentlelady from Illinois (Mrs. BIGGERT) and our colleagues from the other body for their help in making this such a strong bipartisan bill. I urge my colleagues to support it.

I reserve the balance of my time.

Mr. ISSA. At this time, I would like to yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT) for her statement.

Mrs. BIGGERT. I thank the gentleman for yielding and thank him for managing the bill. I would also like to thank Chairman CONYERS, Ranking Member SMITH and their staffs, in particular Caroline Lynch, Allison Hallataei, Zachary Somers, Rob Reed, and my designee for the Financial Services, Nicole Austin, for their work on this bill, Senate 386, the Fraud Enforcement and Recovery Act.

I urge my colleagues to support this amended version.

I was pleased to be an original co-sponsor of the House version of this bill, H.R. 1748, the Fight Fraud Act, which is the substitute language to the underlying bill. I am also pleased that the bill includes language from my bill, H.R. 78, the Stop Mortgage Fraud Act, to provide additional funds to the FBI and Department of Justice to investigate and prosecute mortgage fraud.

A couple of years ago, the Chicago Tribune published a series that revealed that gangs in the Chicago area

were increasingly turning toward mortgage fraud. They found it more lucrative than selling drugs. It turns out the gangs were not alone. Everyone, it seems, was in on the act.

In March, the U.S. Attorney in Chicago, Patrick Fitzgerald, brought mortgage fraud indictments against two dozen players. They are brokers, accountants, loan officers and processors and attorneys.

Mortgage fraud comes in all shapes and sizes. Scam artists inflated appraisals, flipped properties and lied about information, including income and identity, on loan applications. Some used the identity of deceased people to obtain mortgages. And other desperate thieves bilked out of their homes and home equity the most vulnerable homeowners and seniors in dire financial straits.

Let's face it: This is just the tip of the iceberg, which is why H.R. 1728, the mortgage reform bill, also under consideration today, is an important bill. And as we in Congress work to get the economy back on track and credit flowing again, we have to address what was the root of the mortgage meltdown in the first place, mortgage fraud.

□ 1430

Mortgage fraud continues to rise in record numbers. The FBI has reported that in 5 years, the mortgage fraud caseload increased 237 percent, and investigations more than doubled in 3 years, reaching over 63,000 reports in 2008. For the fifth year in a row, Illinois secured a spot, number three this year, on the top 10 list of States with the most severe and prevalent incidents of mortgage fraud.

As a former real estate attorney and member of the House Financial Services Committee, I have seen firsthand the devastating effect of mortgage fraud. It has plagued our financial system and economy. Most tragically, it has cost millions of Americans families their homes and required taxpayers to commit trillions of their hard-earned dollars to prop up the financial industry. It is not fair to the good actors in the industry and the 90 percent of homeowners who are paying their mortgages on time.

Congress can help to inject certainty and fairness into the mortgage system—to restore investor, homeowner, and public confidence in the American Dream and our financial system.

As we work to modernize financial laws and regulations, it is our duty to supply Federal law enforcement with the tools and resources it needs to rapidly tackle fraud, particularly mortgage fraud. Fighting fraud must play a central role in solving the underlying problems that have undermined economic recovery.

With that, I urge my colleagues to support this amended version of Senate 386.

Mr. SCOTT of Virginia. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut, the

chairman of the majority caucus, Mr. LARSON.

Mr. LARSON of Connecticut. I want to start by thanking Speaker PELOSI, Congressman FRANK, and Senator DODD for their tireless work on this effort, as well as Congressman CONYERS, and also thank and point out the work of Congressman ISSA and his staff in working in conjunction on this.

The American people have been demanding answers about the collapse of our financial system. Today, this House votes on legislation to finally get to those answers. Shortly after our financial system began to show signs of collapse back in September, like many Members here, I went home to my district. I stopped by Augie and Ray's, which for me is where it begins and ends in my hometown in East Hartford. People simply have one question: How did this happen?

The questions I heard were no doubt similar to what my colleagues heard all across this Nation. Unfortunately, the answer is not so simple. Most Americans do not know what a credit default swap is, what derivatives are, or what naked short selling is all about. I could go on.

But they do know that their savings are dwindling. They have lost their jobs, their homes, and in many cases their health care as well. And they rightly want and demand an explanation as to why. I knew then that we needed a commission to provide answers and a narrative for the American people, and one, frankly, for the Congress as we move ahead with commonsense reforms to make sure this doesn't happen again.

Our economy has suffered through the bursting of three major economic bubbles: the savings and loan debacle of the 1980s, the dot.com bubble of the 1990s, and now the real estate bubble. It is time we learned something from these crises.

Our Nation faced a similar challenge after the stock market crash of 1929. Congress formed a panel, the Pecora Commission, that uncovered the fraudulent and unscrupulous activities that brought about the Great Depression and laid the groundwork for the regulation that has served this Nation for decades.

It is time in this century for a new commission to help develop the framework of a modern regulatory structure for the 21st-century global economy.

Americans have lost their homes, their jobs, their life savings. We owe them not only an explanation of how this happened, but a path forward that corrects the circumstances that created the crisis.

We have got to do this by looking back not just conveniently over the last 8 years, but at the last 28 years. And as Pecora said, "We must shed the fierce light of public scrutiny" on the dark markets, on the schemes and negligence, and the unintended consequences that have been perpetrated on our financial system. Why? So we

can build a regulatory framework for this century that protects the American worker and that protects the American investor.

Mr. ISSA. Mr. Speaker, as I recognize the former chairman of the full Committee on the Judiciary, I would like to thank the gentleman from Connecticut for his bipartisan work on coming to an agreement between our two bills that I believe led to the suspension today on the Senate bill.

With that, I yield 3 minutes to the gentleman from Wisconsin (Mr. SENBRENNER).

Mr. SENBRENNER. Mr. Speaker, I thank the gentleman from California for yielding to me.

I rise in support today of S. 386, the Fraud Enforcement Recovery Act of 2009. I am particularly pleased that the bill amends certain provisions of the False Claims Act, which allows private individuals with knowledge of past or present fraud committed against the government to file claims against Federal contractors. We need the False Claims Act, as it is the principal tool of law enforcement to combat fraud against Federal programs.

The False Claims Act was originally passed at the behest of President Lincoln during the Civil War to combat fraud against the Union Army. The act has been amended several times since then, with President Reagan signing the most recent bill in 1986, and an update is overdue.

The False Claims Act has been successful for the Federal Government. It has returned more than \$20 billion in settlements and judgments to the U.S. Treasury over the past 20 years.

Although the False Claims Act has been successful, there is always room for improvement. Several Federal courts have applied and interpreted provisions of the FCA in ways that have substantially weakened the law. This bill changes that.

Congress recently approved a \$787 billion stimulus package. As many of us know, the Federal Government itself will not dole out all of this money, but will rely on government contractors, grantees, and other third parties to distribute a large portion of these funds.

With the U.S. Government relying on private contractors to disburse funds for everything from our Medicare prescription drug program to our war efforts in Iraq to the stimulus money, billions of Federal dollars are now in jeopardy. The bailouts that Congress is approving left and right, without proper transparency or accountability, only adds to the amount of government funds in jeopardy from the fraudsters.

It is my hope that the House passes additional false claims provisions this year so that fraudsters will no longer be able to hide behind judicially created qualifications and evade liability. Especially in these challenging times, there is no patience for individuals making false claims and benefiting from them.

Although all of the provisions of the False Claims Corrections Act, which I

introduced with the gentleman from California (Mr. BERMAN), were not included in this legislation, I am pleased that some were added. This is a good start, and I look forward to working with my colleagues to enact the rest of those provisions.

Mr. SCOTT of Virginia. Mr. Speaker, I now yield such time as she may consume to a member of the Judiciary Committee, the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished chairman and I thank the Speaker.

Mr. Speaker, whenever we attended to matters in our district over the last year, when many of our constituents are facing the most catastrophic time in their life, it may be a catastrophic illness or a personal matter that changes or skews their whole life-style. We are seeing the financial markets and the structure of financial calamity alter the lives of Americans.

I think it is important to note that this Congress, this new Congress, has made an effort step by step to respond to the needs of Americans. I thank Mr. ISSA for his work and that of our full committee and the leadership of the Senate to bring us S. 386 which amends the Federal criminal fraud statutes to reach the full range of fraud and other financial crimes that have come to light as the financial crisis has unfolded.

It is important for America to know that we will hold those accountable for the malfeasance and the criminal acts that they have engaged in; for example, the Bernie Madoff issue, with so many people losing not only their sole possessions and resources, but in essence some would say losing their lives.

This amends the security fraud statute to include commodities fraud. It clarifies that it is a felony for a mortgage banker to knowingly make materially false statements on a loan application or overvalue property. We can attest to the fact that this has happened.

And in keeping with that, I am also supportive of H.R. 1728, that is, the Mortgage Reform and Anti-Predatory Lending Act.

For those of us at town hall meetings and who have listened to any number of those who are in foreclosure, they told us that they would see papers that they had signed come back with the altering of their rates, with the altering of their income, with the altering of certain vital points that would then, in essence, put this fraudulent document in a position for the individual to receive a loan on false premises. Therein lies the underpinnings, if you will, of this collapse; the overexerting, if you will, of the market by lending to people who could not afford the homes, by miswriting on the documents. All of this came about.

In the mortgage bill that we will be discussing over the next 24 hours, I was

glad to argue on the point of language dealing with predatory lending which is also covered in S. 386, as we have indicated, and as well to provide an amendment that provides for an individual knowing how much their mortgage and interest would cost over a period of time. It is all right to be able to go in and fill out papers that indicate that you have a down payment of \$2,000, but it is another thing to know that you are buying a house for a million dollars or \$5 million, or more over a period of your lifetime, and whether or not that individual, that particular purchaser, understands the facts in the documents before them.

The bill that we have before us amends Federal money laundering statutes to make them more effective in the context of fraud, prosecutions and ensures their appropriate use, and explicitly made fraud against the TARP and economic stimulus programs also a felony.

There is a lot of money out there, Mr. Speaker, and there is certainly the possibility that all of those moneys can be used in a fraudulent manner.

I believe it is important for the Members of this body but also the American people to know that we are working. And I also add in conclusion, Mr. Speaker, we are doing a lot of good work today. I also support the legislation, H. Res. 14, that acknowledges the importance of the Border Patrol in combating human trafficking. I am working to ensure that they have extra language to help them with additional Border Patrol agents and also to fight the guns and drugs that have a lot to do with human smuggling. The American people need to know the work that we are doing.

I am in support of S. 386 because it puts a pin in the balloon of fraud that has hurt so many people. I would ask my colleagues to support this legislation.

Mr. Speaker, I rise in strong support of S. 386, Fraud Enforcement and Recovery Act that was introduced in this Congress by the Chairman of the Judiciary Committee, Representative JOHN CONYERS from Michigan. This timely legislative initiative is aimed at fighting fraud and protecting taxpayers. If passed, this bill will help Americans recover from the present economic crisis. I urge my colleagues to support this bill.

This legislation is designed to combat fraud by increasing vigilance and accountability concerning the manner how American tax dollars are spent. The types of fraud covered by this legislation include financial fraud, corporate fraud, contracting fraud, and mortgage fraud.

Because recent history has demonstrated that large government outlays of money has attracted persons attempting to create fraud, this legislation provides the Congress with the opportunity to identify viable solutions to fraud and misuse.

Current federal law enforcement uses a number of criminal statutes to prosecute fraud. The criminal penalties for fraud are found in Title 18 of the United States Code. This bill extend the application of these penalties to new areas.

Specifically, this bill will increase accountability for corporate and mortgage fraud and will safeguard against future fraud on those programs that Congress recently developed to restore America's economy. This bill provides increased funding for the expanded role of the Department of Justice. Financial institutions, mortgage lenders, and other private entities are held accountable. This bill will target face statements made to financial institutions and false statements made by financial institutions, i.e. in the overvaluation of property.

H.R. 1292, To amend Title I of the Omnibus Crime Control and Safe Streets Act of 1968, establishes a grant program to authorize funds to states to work with information sharing and training programs focused upon the prevention, investigation, and prosecution of terrorism, economic and high-tech crimes and will aid in the creation and maintenance of intelligence led police and information sharing.

The bill provides the FBI with additional funding to combat financial fraud and identity theft. This additional provision of funding is responsive to the role that fraud has played in the housing crisis. This bill provides the FBI with greater funding to combat fraud. Its purpose is to address the corrupt and fraudulent practices of "flippers", "scam artists", and "mortgage fraud rings."

President Obama has signaled that he will freeze releasing additional TARP funds to AIG because of its mismanagement (i.e., AIG was using TARP funds to pay for employees bonuses). The TARP bill proscribed the use of the TARP funds and specified that there would be repercussions if the TARP funds were used wrongly. There are many companies that used these funds inappropriately.

The first sign of the crisis that America presently finds itself in occurred in March 2008 when investment bank Bear Stearns turned to the federal government and competitor JP Morgan Chase for assistance in addressing a sudden liquidity crisis. At that time, the Federal Reserve provided JP Morgan with funds to complete the merger. Later, in July 2008, the Federal Deposit Insurance Company seized control of IndyMac, the nation's largest home lender.

In September, the federal government put Fannie Mae and Freddie Mac into conservatorship. Since August 2008, the federal government has invested billions of dollars into financial institutions. Much of this money was given directly to large banking institutions. Other money was distributed through the Troubled Asset Relief Program. This program was supposed to increase liquidity in the credit and lending markets. Some of this money, it was later found was mismanaged and was used to buy other banks.

On October 3, 2008, under the TARP, Congress authorized \$700 billion for the Treasury to buy troubled assets to prevent further disruption in the economy. After the Act was passed, the Administration decided to use a portion of the \$700 billion to recapitalize some of the nation's leading banks by buying their shares. Despite this purchase by the government, many banks had no intention of making new loans. In allocating the TARP fund, Treasury made a determination about which banks would survive and receive funds and which banks, usually smaller, would not. By the end of 2008, nine of the largest banks were participating in the TARP program. AIG, Bank of America, Citigroup all benefitted.

For some aspects of the present crisis, I believe that there were a number of conscious decisions undertaken by bankers, financial institutions, and other lenders that have had a direct and adverse effect on borrower.

I also understand that some Mr. and Mrs. Main Street Americans played a role. Many made false statements or exaggerated their income or engaged in other types of fraud in an effort to secure a mortgage that they could not afford. This bill is designed to take an evenhanded approach and to stamp out fraud, mismanagement, and false statements whether they occur on Main Street or Wall Street. I urge my colleagues to support it.

Mr. ISSA. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. BURGESS).

Mr. BURGESS. I thank the gentleman for yielding.

Mr. Speaker, I am generally not in favor of commissions. I think Congress gives up too much of its power to commissions in my brief experience here. But this is one point that I think does call out for a commission. Certainly just as egregious as what happened to this country on 9/11 was what happened to this country in September 2008 when we experienced a financial meltdown. And to date, we have not looked back into the causes of the crisis and held anyone accountable.

In fact, Congressman BRADY from Texas and myself introduced a bill earlier this year for just such a commission, H.R. 2111, that differs substantially from the bill under consideration today.

The bill that we are considering today creates a 10-member commission with subpoena power. It is going to be composed of six Democrats and four Republicans. When we did the 9/11 Commission, was that not a 50/50 split with some members being named by agreement amongst the commissioners who were already selected? Why would we unbalance this commission when, quite frankly, Mr. Speaker, there is just as much guilt on one side of the aisle as there is on the other.

Senate 386 allows the chairman of the Senate Banking Committee to select a commissioner. The chairman of the Senate Banking Committee may have been part of the problem.

The bill allows the chairman of the House Financial Services Committee to appoint a representative to the commission. Mr. Speaker, the chairman of the House Financial Services Committee may have been part of the problem.

Senate 386 creates an accountability commission focused on protecting the government. H.R. 2111 creates an accountability commission focused on protecting taxpayers and restoring public confidence, something that is critical at this juncture.

□ 1445

Importantly, Mr. Speaker, we do things like this all the time. We bring up an important concept and we pass it under suspension of the rules. This is an important commission that should

be created with all due care and caution by this Congress, and then empowered to go out and do the work that we want it to do, not slipped in in the middle of a very quiet legislative day when Members don't even have any idea what they're coming to the floor to vote on.

I just want to end by quoting from the Investors Business Daily, an article entitled, Probe Yourselves, from April 16, 2009. The article says, "Regulators also deserve blame for lowering lending standards that then contributed to riskier home ownership and the housing bubble." Exactly correct."

Continuing to quote, "As such, Pelosi's proposed commission will be little more than a fig leaf to cover Congress' own multitude of sins—letting its Members, the true creators of this financial mess, bash business leaders as they pose as populist saviors of Main Street from Wall Street."

Continuing to quote, "On NPR Thursday, a reporter confronted Representative Frank, chairman of the Financial Services Committee, with the fact that his \$300 billion 'Hope for Homeowners' program"

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ISSA. I yield the gentleman 1 additional minute.

Mr. BURGESS. "Chairman Frank was asked about his \$300 billion 'Hope for Homeowners' program, passed with much fanfare a year ago that had so far helped one homeowner. One. Frank's response: 'It was the fault of the right.'"

Continuing to quote, "The truth is, Mr. Frank's party has been in charge since 2006. And during that time, Democrats have presided over one of the most disgraceful and least accomplished Congresses in history. This financial mess began on their watch, yet they pretend otherwise."

Further quoting from the Investors Business Daily, the commission that is outlined "won't get to the bottom of our financial crisis; it will carefully select scapegoats to be ritually shamed by the liberal media, stripped of their wealth, and exiled. The new rules will be imposed that will no doubt make things worse. And the cycle will begin again."

"Wall Street didn't create this subprime mess, Congress, through repeated interventions, did. When the whole thing failed, it was Congress' fault."

They conclude by saying, "We'd be happy to support a 9/11-style commission to look into the causes of the financial meltdown. But only if Congress agrees to put itself under the microscope. Anything less would be a sham."

[From Investor's Business Daily, Apr. 16, 2009]

PROBE YOURSELVES

Named for its chief counsel, Ferdinand Pecora, the 1932 congressional commission dragged influential bankers and stockbrokers before its members for rough questioning—both of their business practices and private lives.

The Pecora Commission led directly to the Securities Act of 1933, the Securities Exchange Act of 1934 and the creation of the Securities Exchange Commission in 1935 to oversee Wall Street.

Now Pelosi's calling for an encore. "People are very unhappy with these bailouts," she noted, especially the bonuses that went to executives. "Seventy five percent of the American people, at least, want an investigation of what happened on Wall Street."

No doubt, that's true. The problem is, what "happened on Wall Street" was a direct result of what happened on Capitol Hill. And we're not the only ones who believe that, by the way.

"Government policies, especially the Community Reinvestment Act, and the affordable housing mission that Fannie Mae and Freddie Mac were charged with fulfilling, are to blame for the financial crisis," wrote economist Peter Wallison, a fellow at the American Enterprise Institute, recently.

"Regulators also deserve blame for lowering lending standards that then contributed to riskier homeownership and the housing bubble." Exactly correct.

As such, Pelosi's proposed commission will be little more than a fig leaf to cover Congress' own multitude of sins—letting its members, the true creators of this financial mess, bash business leaders as they pose as populist saviors of Main Street from Wall Street predators.

Why do this now? Pelosi and her Democrat colleagues are feeling the heat from Tea Party demonstrations and growing voter anger over the massive waste entailed in the \$4 trillion (and rising) stimulus-bailout bonanza. Again, the Democrats created all this spending. Now, as it proves unpopular, they just walk away from it.

On NPR Thursday, a reporter confronted Rep. Barney Frank, chairman of the Financial Services Committee, with the fact that his \$300 billion "Hope for Homeowners" program, passed with much fanfare last fall, had so far helped just one homeowner. One.

Frank's response: It was the fault of the "right." And Bush.

Truth is, Frank's party has been in charge since 2006. And during that time, Democrats have presided over one of the most disgraceful and least accomplished Congresses in history. This financial mess began on their watch, yet they pretend otherwise.

What better way to take the heat off yourself than by pointing accusing fingers at those most unlikable of people—Wall Street bankers? That's what the Pelosi-Pecora Commission will do.

It won't get to the bottom of our financial crisis; it will carefully select scapegoats to be ritually shamed by the liberal media, stripped of their wealth, and exiled. Then new rules will be imposed that will no doubt make things worse. And the cycle will begin again.

We're not saying Wall Street has no blame for the financial meltdown. But Wall Street didn't create the subprime mess. Congress, through repeated interventions in healthy markets, did. And when the whole thing failed, it was Congress' fault.

We'd be happy to support a 9/11-style commission to look into the causes of the financial meltdown. But only if Congress agrees to put itself in the dock. Anything less would be a sham.

Mr. SCOTT of Virginia. I yield 4 minutes to a member of the Judiciary Committee, the gentleman from New York (Mr. MAFFEI).

(Mr. MAFFEI asked and was given permission to revise and extend his remarks.)

Mr. MAFFEI. The Fraud Enforcement Recovery Act of 2009 gives the

Department of Justice the resources it needs to better combat and prevent the kind of financial fraud that has put our economy on its heels.

As I discussed with the bill's sponsors on this legislation in the House, however, I do have concerns about amendments like those included in this package that expand the reach of an already powerful weapon—the civil False Claims Act. Often enforced by whistleblowers and their private counsel when the Department of Justice steps aside, the civil False Claims Act reaches beyond traditional fraud to impose treble damages and per claim penalties of \$5,500 to \$11,000 on individuals, corporations, and other legal entities who submit false claims for government program funds, knowing or recklessly disregarding the falsity of those claims.

The power of the False Claims Act comes from its broad terms, low burden of proof, enabling the government to impose penalties and recoup funds lost not only to frauds, but to less culpable schemes that abuse government monies.

But there's also a danger in this. Not all whistleblowers and their lawyers have the same view of the statute as the Department of Justice and the risk of penalties, treble damages, and attorney fees. In many cases, the defense costs can cost some defendants to settle charges they would otherwise be able to defend.

One of the things this legislation does is expend that powerful weapon to reach schemes that defraud the government of money it pays by mistake—of "overpayments" that come into the possession of an entity, like a university or a research institution, through no fault of its own, that the entity keeps and maybe hides rather than notifying the government or returning it to the government.

Drafting language to pursue unlawful retention of an overpayment proved difficult, however. When we considered similar legislation in committee, I learned that hospitals, universities, and other research institutions are among various entities that function in government programs where the program rules do require those entities to account for overpayments.

They do so in the form of periodic reports prepared according to agency rules that account costs incurred and payments received. This allows them to reconcile overpayments and underpayments and, when appropriate, repay those overpayments.

But the drafting problem we faced was avoiding language that would impose liability on research institutions or hospitals for holding on to overpayments at a time when the applicable rules would allow them to do so pending repayment through the normal process.

This would include reconciliation processes established under statutes, regulations, and rules that govern Medicare, Medicaid, and all sorts of other various research grants and programs.

So, as a courtesy to my colleagues, I withdrew an amendment that addressed these issues and commenced negotiations to see that any amendments to the False Claims Act-protected entities that rely on those processes in good faith in handling their accounting, protecting them from unwarranted investigations and litigation concerning overpayments, they were, in effect, entitled to keep for at least a small period of time.

As reflected in the committee report, the Senate version of this bill was amended to afford that protection. A new subsection of the False Claims Act will not impose liability for the mere retention of an overpayment over the course of the reconciliation period. Rather, the new subsection would require proof of a knowing false record or statement, of knowing concealment, or of knowing and improper acts to avoid or decrease an obligation to pay money to the government.

So, if a person or entity receives an overpayment from the United States and fails to return it immediately and instead takes steps to return the overpayment through an applicable reconciliation process, then liability would not attach. However, if a person falsifies information during a reconciliation period or otherwise acts knowingly and improperly to avoid the payment, liability would attach.

So it's vitally important that we pass this legislation to fight financial fraud. But it's also important that we not punish universities, hospitals, and other important research institutions when they're doing everything that they are supposed to do. We must have enforcement and also fairness.

Mr. ISSA. Mr. Speaker. It's now my privilege to yield 2 minutes to the gentleman from Texas (Mr. GOHMERT).

Mr. GOHMERT. I appreciate my friend yielding, and I appreciate all the good work that has gone into this bill. I do have concerns about a commission that would look into something as important as our financial situation, where it ends up being a political commission, 6-4, instead of, like, the 9/11 Commission, which was 5-5. That was a bipartisan commission that made those findings and were largely supported around the country.

If we're going to make this another political commission, 6-4, then aren't we going to get right back into the mess of: Can we trust this? Or is this another political report that we're going to spend millions and millions of dollars for?

There are many of us, I think, that can be objective about this. But when you have a commission that's 6-4, it's going to get political. There's no way around it.

There's nobody more upset, for example, with the bailout that the Republican administration proposed last September. It sure seemed to me that AIG should have gone to bankruptcy because they were bankrupt and we wouldn't have had the issue of bonuses.

We should have let the car manufacturers, if they're bankrupt, then we have bankruptcy court.

And so I was not happy with our administration. I think it would be easy to have a commission that would be fair. But when it's 6-4, it's unavoidably going to end up political instead of giving us the fair analysis that this country really needs.

Mr. SCOTT of Virginia. I yield 2 minutes to the gentleman from Florida (Mr. KLEIN).

Mr. KLEIN of Florida. I thank the gentleman. There are serious problems with the way some mortgages were sold over this past decade. I have heard from constituents who were fully taken advantage of by lenders who used a variety of different techniques. Florida, my home State, was particularly hard hit by fraud and unscrupulous lenders, unfortunately. There's plenty of blame to go around.

However, on a going-forward basis, we must ensure that these problems never happen again, and it's essential that we reform the current mortgage underwriting legislation.

Senator LEAHY's legislation and my colleagues in the House here have put together an excellent bill, the Fraud Enforcement and Recovery Act, which is part of a comprehensive effort to reform mortgage underwriting standards and, most importantly, restore consumer and investor confidence in the system by expanding criminal penalties for fraudulent activity by mortgage brokers and lenders.

In addition, this bill expands the scope of securities fraud provisions and extends the prohibition against defrauding the Federal Government to the TARP program and to the stimulus bill.

The bill also authorizes additional appropriations to investigate and prosecute fraud, and creates a Senate Select Committee to examine the causes of our current economic crisis.

All these measures, when taken together, will help restore confidence in the American economy, and I urge my colleagues to support this legislation so we can get on with business.

Mr. ISSA. Mr. Speaker, can I inquire how much time I have remaining?

The SPEAKER pro tempore. The gentleman from California has 9 minutes remaining.

Mr. ISSA. I yield myself such time as I may consume.

Mr. Speaker, in closing, this legislation is a combination of two well thought-out compromises. First of all, the Fraud Enforcement and Recovery Act, in fact, is going to take the place of a piece of legislation that is far more reaching and, in my opinion, overreaching, that passed out of Judiciary just this past week. In fact, by making this narrower, what we do is help the whistleblowers and those who would support them, while not going too far as to cripple the legitimate enforcement by cities and States and the right for them to discover waste, fraud

and abuse themselves, make those in corrections without seeing both punitive fines and perhaps 30 percent going to plaintiffs' trial lawyers.

The fact is, Mr. Speaker, this narrowing is a good compromise coming from the Senate, and I want to thank all of those in both parties who worked on this. I think it makes moot the legislation that was passed under Judiciary.

Secondly, another compromise, and one that I want to speak to, this 9/11-style commission, something that, as you can see, many people on both sides of the aisle—on both sides of the Capitol—thought was necessary. Over the last period of months, we have seen the Speaker of the House going from not supporting, and supporting only that her committee chairmen do the work, to supporting the concept of a House committee, to then a House-Senate committee, and, finally, I believe today, support for something that gets it almost right.

Mr. Speaker, I believe that, on nearing the third anniversary of the 9/11 Commission, we should begin looking at what we did in the 9/11 Commission.

In 2007, on the third anniversary, Speaker PELOSI praised the bipartisan, independent commission for its work, calling the recommendations made by the commission earned and achievable, and, in fact, speaking to its bipartisan nature.

This year, as we pass legislation to make a similar-type commission to deal with the meltdown last year in our markets, I would call on Speaker PELOSI to help make the balance right.

As was previously stated, based on the current nominating system in the ordinary course, this would end up being a 6-4 split and be questioned by the American people as to whether or not it was Democratically led and Democratically dominated.

The Speaker has the ability, with her three appointments, to make this right, either by appointing one Republican and one Democrat, or, in this case, two; or I might suggest that even if she cannot find a Republican appropriate to be appointed from her allocation, that she could look to an independent or somebody independent of party politics.

I have previously supported, when asked, Sandra Day O'Connor, a retired Justice, or somebody of her stature who rises well above party politics, who may be considered to have some Republican background but who, clearly, in the eyes of the American people, would be a consensus-builder, able to look for the truth and look for compromise so as to reach the consensus, not a majority decision, but a consensus of this commission, as in almost every case—I believe in every case—the 9/11 Commission did.

□ 1500

I understand that this bill is the best bill we can get here today and I intend to vote for it, support it, and urge my

colleagues to support it; not because I don't believe it should be above party politics and should be a 5-5 split, but because this is so much better than nothing at all and because I believe that the Speaker has it within her appointment powers to make this a perfectly good commission, one that we can all be proud of, and one that lives up to exactly what Speaker PELOSI asked for when the shoe was on the other foot after September 11, when we were looking at the need to get above party politics and we were looking to find people of stature to appoint.

Mr. Speaker, I hope my suggestions over and above my support for this legislation will be heeded.

Mr. Speaker, S. 386, the Fraud Enforcement and Recovery Act of 2009, improves current criminal and civil fraud statutes to help the federal government bring predatory lenders and unscrupulous financial institutions to justice.

Judiciary Chairman CONYERS and Ranking Member SMITH sponsored the companion legislation in the House, H.R. 1748, the Fight Fraud Act of 2009. The bill before the House today is a true example of bipartisan, bicameral cooperation.

S. 386, as amended, merges these two important pieces of legislation together to provide comprehensive and effective solutions to combating mortgage fraud, securities fraud, and other financial crimes.

In times of crisis, crime often flourishes. Following the 9/11 terrorist attacks and Hurricane Katrina, unscrupulous people chose to exploit these tragedies to pad their pockets with money intended to help the victims.

The country's housing crisis is no exception. America's economic downturn, brought on by the housing crisis and other factors, exposed a significant amount of fraud and corruption within the mortgage, banking, and securities industries.

The drive for expanded homeownership along with unchecked lending practices and inflated property values, encouraged mortgage fraud, predatory lending, and institutional corruption.

Mortgage fraud comes in many forms, including deceptive practices by borrowers, predatory lending and institutional fraud.

And now, the fraud is spreading to schemes targeting homeowners who are facing foreclosure as a result of the plummeting housing market. Foreclosure scams are targeting cash-strapped consumers on the verge of losing their homes. Victims are lured into the fraud scheme with promises of financial assistance that never materializes.

S. 386 amends federal fraud statutes to specifically prohibit false statements by mortgage brokers and agents of mortgage lending businesses.

The bill also expands the major fraud statutes to include fraud against the Troubled Assets Relief Program, economic stimulus funds, or other federal rescue or recovery plans.

The Fight Fraud Act authorizes additional funds for federal law enforcement agencies, the Departments of Justice and Housing and Urban Development, and the Securities and Exchange Commission.

This legislation promotes the ongoing investigative partnerships between federal, state and local law enforcement agencies.

The bill also supports programs that provide critical training and investigative support services, intelligence services, research support and other resources necessary to investigating these financial crimes.

Additionally, this legislation will strengthen the liability provisions of the False Claims Act as well as make some necessary technical changes to the Act.

The False Claims Act provisions in this bill will undoubtedly enhance the Federal government's ability to recover government money and property that would otherwise be lost to waste, fraud, or abuse.

What's more, these provisions do so in a responsible manner that will not encourage the filing of frivolous or unfounded False Claims Act cases.

Simply put, the False Claims Act provisions in this bill go the proper distance in ensuring that the Act remains a viable tool in the government's continuing fight to protect taxpayer dollars from fraud.

(COMMISSION)

The Fraud Enforcement and Recovery Act also contains provisions to create a bipartisan, independent "Financial Markets Commission."

This Commission will examine the questions of "Why?" and "How?" the current financial and economic crisis occurred.

We have seen the success of past blue-ribbon panels, such as the 9/11 Commission.

In 2007, on the 3rd anniversary of the 9/11 Commission report, Speaker PELOSI praised the bipartisan, independent Commission for its work—calling the recommendations made by the Commission "urgent and achievable" making the country more "unified" and "effective."

Speaker PELOSI is right. A bipartisan, independent commission can produce valuable results.

Which is why I proposed a similar bill last fall and again this Congress, H.R. 74.

I view the effort to create this commission as a vehicle for this Congress to demonstrate a willingness to set aside partisanship and put the interests of our country first.

As with the 9/11 Commission, the Financial Markets Commission report should be free of accusations of political showmanship and a partisan slant that have tainted current investigations.

This Commission is not the place for partisanship OR Congressional meddling.

It is a place for the American people to get answers.

Ideally, in today's bill, the composition of this Commission would have been bipartisan down the line, with a 5-5 split like the 9/11 Commission that was adopted by a Republican Congress instead of the 6-4 divide that has come to the floor today at the direction of the Democratic Leadership.

Speaker PELOSI said in 2005, when discussing a possible Commission to review Hurricane Katrina events, a "real commission" is bipartisan and independent.

The decision to depart from the 5-5 model of the 9/11 commission in favor of a commission whose composition has a partisan slant is disappointing.

But I believe the credibility of this commission's report will still depend on its ability to deliver conclusions and recommendations that all the members of the commission will embrace.

I am hopeful that the members of Congress who will be responsible for appointments to

this Commission will ensure that the panel's composition is bipartisan, independent, and focused on producing a nonpartisan report—not scoring political points.

In closing, The Fraud Enforcement and Recovery Act of 2009 is a good government bill. I urge my colleagues to support this legislation.

I yield back the balance of my time. Mr. SCOTT of Virginia. Mr. Speaker, finally, in closing, I would remind the body that this is a bipartisan, bicameral consensus. We have worked together on a bipartisan basis in the House and the Senate.

The bill will prevent fraud by clarifying the fraud statutes and strengthen the False Claims Act. It will, I think very importantly, provide significant resources for fighting the fraud.

Finally, the value of the commission will be judged by its product, and we would all assume that the appointments would be people whose reputation is beyond reproach and we will get a good product from the commission.

With that, Mr. Speaker, I urge my colleagues to support the bill.

Mr. AL GREEN of Texas. Mr. Speaker, I am proud to support S. 386, the Fraud Enforcement and Recovery Act of 2009.

The bursting of the housing bubble and the subsequent deterioration of the economy revealed fundamental weaknesses in our mortgage and financial industries. Predatory lending and discriminatory practices coupled with a lack of regulation and oversight resulted in many people being steered towards loans that they could not afford, or being given higher cost loans than they qualified for.

Fraud, by definition, is the crime or offense of deliberately deceiving another in order to damage them—usually to obtain property or services unjustly. The practices that I just discussed certainly fit this definition.

Mr. Speaker, during the height of the housing bubble, many were blinded by greed, and their actions played a large role in bringing about the economic hardships that we hear about on a daily basis. We must never allow such practices to happen again, and those guilty of mortgage fraud should be sought out and prosecuted.

This bill would do precisely that. It would expand the definition of "financial institution" to include mortgage lending businesses or any person who makes federally related mortgage loans. It also extends the prohibition of providing false information for mortgage documents to employees and agents of the mortgage lending business.

This bill also takes a comprehensive approach to investigating and enforcing mortgage fraud. It authorizes monies for a wide swath of government agencies to strengthen their individual efforts and therefore strengthening their collective efforts.

Mr. Speaker, much work remains to be done as we move forward, and while this piece of legislation is not the be-all-end-all solution, it is a meaningful first step, and I support it in full.

I thank my friend and colleague Representative JOHN CONYERS Jr. for introducing this legislation.

Mr. VAN HOLLEN. Mr. Speaker, today, I rise to support S. 386, the Fraud Enforcement and Recovery Act of 2009.

As the country continues to recover from the current economic crisis, we need to do everything possible to understand all the factors that caused the financial meltdown and ensure that the appropriate laws and resources are in place to prevent a similar crisis in the future. We have also made an unprecedented investment of taxpayer dollars as part of our economic recovery effort, and we must ensure that this investment is spent wisely and efficiently.

We know that lax supervision of the financial industry contributed to the current economic conditions, and we must do everything we can to learn from these mistakes and prevent future economic meltdowns. This bill will help us understand the causes of the economic crisis by establishing a bipartisan commission to study the conditions that triggered the economic collapse. The Commission will also provide Congress with recommendations to prevent future economic problems.

The legislation also includes a clear commitment to fighting waste, fraud and abuse. It strengthens current law and increases funding to hire investigators and prosecutors so law enforcement agencies can effectively combat these issues. It will also help protect taxpayer dollars by amending current law to protect funds expended under the Troubled Asset Relief Program (TARP) and the economic stimulus package.

The Fraud Enforcement and Recovery Act of 2009 will help the government increase its understanding of the factors that caused the economic collapse, and provide the resources necessary to help prevent this from happening again. I urge my colleagues to join me in supporting this important legislation.

Mr. SCOTT of Virginia. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. SCOTT) that the House suspend the rules and pass the Senate bill, S. 386, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. ISSA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

H. Res. 367, by the yeas and nays;

S. 386, by the yeas and nays.

H. Res. 348, de novo.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

SUPPORTING NATIONAL TRAIN DAY

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the resolution, H. Res. 367, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. CORRINE BROWN) that the House suspend the rules and agree to the resolution, H. Res. 367.

The vote was taken by electronic device, and there were—yeas 426, nays 0, not voting 7, as follows:

[Roll No. 234]

YEAS—426

Abercrombie	Carney	Fleming
Ackerman	Carson (IN)	Forbes
Aderholt	Carter	Poster
Adler (NJ)	Cassidy	Foxx
Akin	Castle	Frank (MA)
Alexander	Castor (FL)	Franks (AZ)
Altmire	Chaffetz	Frelinghuysen
Andrews	Chandler	Fudge
Arcuri	Childers	Gallegly
Austria	Clarke	Garrett (NJ)
Baca	Clay	Gerlach
Bachmann	Cleaver	Giffords
Bachus	Clyburn	Gingrey (GA)
Baird	Coble	Gohmert
Baldwin	Coffman (CO)	Gonzalez
Barrett (SC)	Cohen	Goodlatte
Barrow	Cole	Gordon (TN)
Bartlett	Conaway	Granger
Barton (TX)	Connolly (VA)	Graves
Bean	Conyers	Grayson
Becerra	Cooper	Green, Al
Berkley	Costa	Green, Gene
Berman	Costello	Griffith
Biggert	Courtney	Grijalva
Bilbray	Crenshaw	Guthrie
Bilirakis	Crowley	Gutierrez
Bishop (GA)	Cuellar	Hall (NY)
Bishop (NY)	Culberson	Hall (TX)
Bishop (UT)	Cummings	Halvorson
Blackburn	Dahlkemper	Hare
Blunt	Davis (AL)	Harman
Bocchieri	Davis (CA)	Harper
Boehner	Davis (IL)	Hastings (FL)
Bonner	Davis (KY)	Hastings (WA)
Bono Mack	Davis (TN)	Heinrich
Boozman	Deal (GA)	Heller
Boren	DeFazio	Hensarling
Boswell	DeGette	Herger
Boucher	Delahunt	Herseth Sandlin
Boustany	DeLauro	Higgins
Boyd	Dent	Hill
Brady (PA)	Diaz-Balart, L.	Himes
Brady (TX)	Diaz-Balart, M.	Hinchee
Bralley (IA)	Dicks	Hinojosa
Bright	Dingell	Hirono
Broun (GA)	Doggett	Hodes
Brown (SC)	Donnelly (IN)	Hoekstra
Brown, Corrine	Doyle	Holden
Brown-Waite,	Dreier	Holt
Ginny	Driehaus	Honda
Buchanan	Duncan	Hoyer
Burgess	Edwards (MD)	Hunter
Burton (IN)	Edwards (TX)	Inglis
Butterfield	Ehlers	Inslee
Buyer	Ellison	Israel
Calvert	Ellsworth	Issa
Camp	Emerson	Jackson (IL)
Campbell	Engel	Jackson-Lee
Cantor	Eshoo	(TX)
Cao	Etheridge	Jenkins
Capito	Fallin	Johnson (GA)
Capps	Farr	Johnson (IL)
Capuano	Fattah	Johnson, E. B.
Cardoza	Filner	Johnson, Sam
Carnahan	Flake	Jones