

106TH CONGRESS
1ST SESSION

H. R. 612

To protect the public, especially seniors, against telemarketing fraud, including fraud over the Internet, and to authorize an educational campaign to improve senior citizens' ability to protect themselves against telemarketing fraud.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1999

Mr. WEYGAND (for himself, Mr. ABERCROMBIE, Mr. GEJDENSON, Ms. KILPATRICK, Mr. ROMERO-BARCELÓ, Ms. NORTON, Mr. UNDERWOOD, Mr. LAFALCE, Mr. NEAL of Massachusetts, Mr. FORD, Mr. BALDACCI, Mrs. THURMAN, Ms. JACKSON-LEE of Texas, Mr. CROWLEY, Mr. GREEN of Texas, and Mr. SMITH of Washington) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To protect the public, especially seniors, against telemarketing fraud, including fraud over the Internet, and to authorize an educational campaign to improve senior citizens' ability to protect themselves against telemarketing fraud.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **TITLE I—PROTECTION AGAINST**
2 **SCAMS ON SENIORS**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Protection Against
5 Scams on Seniors Act of 1999”.

6 **SEC. 102. FINDINGS.**

7 The Congress finds that—

8 (1) telemarketing fraud costs consumers nearly
9 \$40,000,000,000 each year;

10 (2) nearly 10 percent of the 140,000 tele-
11 marketing firms in the United States engage in
12 fraud;

13 (3) senior citizens are often the target of tele-
14 marketing fraud;

15 (4) fraudulent telemarketers compile into
16 “mooch lists” the names of potentially vulnerable
17 consumers;

18 (5) according to the American Association of
19 Retired Persons, 56 percent of the names on “mooch
20 lists” are individuals age 50 or older;

21 (6) the Department of Justice has undertaken
22 successful investigations and prosecutions of tele-
23 marketing fraud through various operations, includ-
24 ing “Operation Disconnect”, “Operation Senior Sen-
25 tinel”, and “Operation Upload”;

1 (7) the Federal Bureau of Investigation has
2 helped provide resources to assist organizations such
3 as the American Association of Retired Persons to
4 operate outreach programs designed to warn senior
5 citizens whose names appear on confiscated “mooch
6 lists”;

7 (8) the Administration on Aging was formed, in
8 part, to provide senior citizens with the resources,
9 information, and assistance their special cir-
10 cumstances require;

11 (9) the Administration on Aging has a system
12 in place to effectively inform senior citizens of the
13 dangers of telemarketing fraud; and

14 (10) senior citizens need to be warned of the
15 dangers of telemarketing fraud before they become
16 victims.

17 **SEC. 103. PURPOSE.**

18 It is the purpose of this title through education and
19 outreach to protect senior citizens from the dangers of
20 telemarketing fraud and to facilitate the investigation and
21 prosecution of fraudulent telemarketers.

22 **SEC. 104. DISSEMINATION OF INFORMATION.**

23 (a) IN GENERAL.—The Secretary of Health and
24 Human Services, acting through the Assistant Secretary
25 for Aging, shall publicly disseminate in each State infor-

1 mation designed to educate senior citizens and raise
2 awareness about the dangers of telemarketing fraud.

3 (b) INFORMATION.—In carrying out subsection (a),
4 the Secretary shall—

5 (1) inform senior citizens of the prevalence of
6 telemarketing fraud targeted against them;

7 (2) inform senior citizens of how telemarketing
8 fraud works;

9 (3) inform senior citizens of how to identify
10 telemarketing fraud;

11 (4) inform senior citizens of how to protect
12 themselves against telemarketing fraud, including an
13 explanation of the dangers of providing bank ac-
14 count, credit card, or other financial or personal in-
15 formation over the telephone to unsolicited callers;

16 (5) inform senior citizens of how to report sus-
17 pected attempts at telemarketing fraud;

18 (6) inform senior citizens of their consumer
19 protection rights under Federal law; and

20 (7) provide such other information as the Sec-
21 retary considers necessary to protect senior citizens
22 against fraudulent telemarketing.

23 (c) MEANS OF DISSEMINATION.—The Secretary shall
24 determine the means to disseminate information under

1 this section. In making such determination, the Secretary
2 shall consider—

3 (1) public service announcements;

4 (2) a printed manual or pamphlet;

5 (3) an Internet website; and

6 (4) telephone outreach to individuals whose
7 names appear on “mooch lists” confiscated from
8 fraudulent telemarketers.

9 (d) PRIORITY.—In disseminating information under
10 this section, the Secretary shall give priority to areas with
11 high concentrations of senior citizens.

12 **SEC. 105. AUTHORITY TO ACCEPT GIFTS.**

13 The Secretary may accept, use, and dispose of uncon-
14 ditional gifts, bequests, or devises of services or property,
15 both real and personal, in order to carry out this title.

16 **SEC. 106. AUTHORIZATION OF APPROPRIATIONS.**

17 There are authorized to be appropriated \$10,000,000
18 for fiscal year 1999 and such sums as may be necessary
19 for succeeding fiscal years.

20 **SEC. 107. DEFINITION.**

21 For purposes of this title, the term “State” includes
22 the District of Columbia, the Commonwealth of Puerto
23 Rico, Guam, the Virgin Islands, American Samoa, and the
24 Commonwealth of the Northern Mariana Islands.

1 **TITLE II—TELEMARKETING**
2 **FRAUD OVER THE INTERNET**

3 **SEC. 201. EXTENSION OF CRIMINAL FRAUD STATUTE TO**
4 **INTERNET.**

5 Section 1343 of title 18, United States Code, is
6 amended by—

7 (1) striking “or television communication” and
8 inserting “television, or Internet communication”;
9 and

10 (2) adding at the end thereof the following:
11 “For purposes of this section, the term ‘Internet’
12 means collectively the myriad of computer and tele-
13 communications facilities, including equipment and
14 operating software, which comprise the inter-
15 connected world-wide network of networks that em-
16 ploy the Transmission Control Protocol/Internet
17 Protocol, or any predecessor or successor protocols
18 to such protocol, to communicate information of all
19 kinds by wire or radio.”.

20 **SEC. 202. FEDERAL TRADE COMMISSION SANCTIONS.**

21 The Federal Trade Commission shall initiate a rule-
22 making proceeding to set forth the application of section
23 5 of the Federal Trade Commission Act (15 U.S.C. 45)
24 and other statutory provisions within its jurisdiction to de-
25 ceptive acts or practices in or affecting the commerce of

1 the United States in connection with the promotion, adver-
2 tisement, offering for sale, or sale of goods or services
3 through use of the Internet, including the initiation, trans-
4 mission, and receipt of unsolicited commercial electronic
5 mail. For purposes of this section, the term “Internet”
6 means collectively the myriad of computer and tele-
7 communications facilities, including equipment and oper-
8 ating software, which comprise the interconnected world-
9 wide network of networks that employ the Transmission
10 Control Protocol/Internet Protocol, or any predecessor or
11 successor protocols to such protocol, to communicate in-
12 formation of all kinds by wire or radio.

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