

107TH CONGRESS  
1ST SESSION

# H. R. 2985

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 14, 2001

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

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## AN ACT

To amend the Federal Trade Commission Act to increase civil penalties for violations involving certain proscribed acts or practices that exploit popular reaction to an emergency or major disaster declared by the President, and to authorize the Federal Trade Commission to seek civil penalties for such violations in actions brought under section 13 of that Act.

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

3   **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “American Spirit Fraud  
5   Prevention Act”.

6   **SEC. 2. INCREASE IN PENALTIES FOR UNFAIR OR DECEP-**

7                   **TIVE ACTS OR PRACTICES EXPLOITING REAC-**  
8                   **TION TO CERTAIN EMERGENCIES AND MAJOR**  
9                   **DISASTERS.**

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

14       “(D) In the case of a violation involving an unfair  
15   or deceptive act or practice in an emergency period or dis-  
16   aster period, the amount of the civil penalty under this  
17   paragraph shall be double the amount otherwise provided  
18   in this paragraph, if the act or practice exploits popular  
19   reaction to the national emergency, major disaster, or  
20   emergency that is the basis for such period.

21       “(E) In this paragraph—

22               “(i) the term ‘emergency period’ means the pe-  
23               riod that—

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

4               “(II) ends on the expiration of the 1-year  
5               period beginning on the date of the termination  
6               of the national emergency; and

7               “(ii) the term ‘disaster period’ means the 1-year  
8               period beginning on the date the President declares  
9               an emergency or major disaster under the Robert T.  
10               Stafford Disaster Relief and Emergency Assistance  
11               Act (42 U.S.C. 5121 et seq.).”.

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

16               “(e)(1) If a person, partnership, or corporation is  
17               found, in an action under subsection (b), to have com-  
18               mitted a violation involving an unfair or deceptive act or  
19               practice in an emergency period or a disaster period, and  
20               if the act or practice exploits popular reaction to the na-  
21               tional emergency, major disaster, or emergency that is the  
22               basis for such period, the court, after awarding equitable  
23               relief (if any) under any other authority of the court, shall  
24               hold the person, partnership, or corporation liable for a

1 civil penalty of not more than \$22,000 for each such viola-  
2 tion.

3 “(2) In this subsection—

4 “(A) the term ‘emergency period’ means the pe-  
5 riod that—

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

9 “(ii) ends on the expiration of the 1-year  
10 period beginning on the date of the termination  
11 of the national emergency; and

12 “(B) the term ‘disaster period’ means the 1-  
13 year period beginning on the date the President de-  
14 clares an emergency or major disaster under the  
15 Robert T. Stafford Disaster Relief and Emergency  
16 Assistance Act (42 U.S.C. 5121 et seq.).”

Passed the House of Representatives November 13,  
2001.

Attest:

JEFF TRANDAHL,

*Clerk.*