we are truly dedicated to building and supporting stable, open and prosperous societies throughout the world, we must work to eliminate these practices of serious persecution and discrimination.

The distinguished gentleman from Florida has indicated that we're doing this together. The time has long since passed for us to strongly declare that women are not chattel, should not be trafficked, and not sold for services and must not be denied the right to own property. The fundamental rights to freedom of worship, expression, association, conscience and pursuit of happiness ought never to be threatened by violence, oppression, slavery or manipulation.

My legislation denounces the barbaric practices of female genital mutilation, domestic violence, ''honor'' killings, acid burning, dowry deaths, and other gender-based persecutions. It gives women hope around the world. It demands a cessation of these barbaric practices and condemns the perpetrators.

I'm delighted to be supported by Amnesty International; the United Nations Women's Fund; the CARE, Council on American-Islamic Relations, equal rights advocates; and NOW.

I'm also delighted to be able to have this Congress express that regardless of religion, geography or form of government, women should not be denied equal rights, should have the opportunity to be defended when their rights are abridged, challenged or violated.

So, in the spirit of protecting the women around the world from the violence that they experience and suffer every day from the trafficking and from the inhumane treatment, I ask my colleagues to enthusiastically support H. Res. 32.

Amnesty International USA commends Congresswoman Sheila Jackson-Lee and the U.S. House of Representatives for authoring and considering H. Res. 32 to denounce the practices of female genital mutilation, domestic violence, ''honor'' killings, acid burning, dowry deaths and other gender-based persecution and to urge participation, protection, recognition and independence of women.

Violence against women is a human rights scandal. At least one out of every three women has been beaten, coerced into sex, or otherwise abused in her lifetime. In Europe, domestic violence is the major cause of death and disability for women aged 16 to 44. In the United States, a woman is raped every 6 minutes; a woman is battered every 15 seconds.

Rape of women is widespread in armed conflicts such as in Colombia and Darfur. Trafficking of women has become a global phenomenon where victims are sexually exploited, forced into labor and subjected to abuse.

Murders of women in Guatemala, Russia, India, and other countries often go uninvestigated and unpunished. The experience or threat of violence affects the lives of women everywhere, cutting across boundaries of wealth, race and culture. In the home and in the community, in times of war and peace, women are beaten, raped, mutilated, and killed with impunity.

The U.S. government should move forward in ratifying the Treaty for the Rights of Women (CEDAW)—the most complete international agreement on basic human rights for women. The United States played an important role in drafting the Treaty, which 185 nations have ratified as of October 2007. As the leading superpower, U.S. ratification would lend weight to the Treaty and provide valuable support to women seeking reforms in countries around the world.

Amnesty International USA encourages members of the U.S. House of Representatives to move quickly towards passage of H. Res. 32 and encourages all members of the legislative body to actively work to stop violence against women throughout the world.

TO THE HONORABLE SHEILA JACKSON LEE:

The U.S. National Committee for UNIFEM is in full support of H. Res. 32 which denounces the practices of female genital mutilation, domestic violence, acid burning, dowry deaths, and other gender-based persecutions and expressing the sense of the House of Representatives that participation, protection, recognition, and independence of women is crucial to achieving a just, moral, and honorable society.

Violence against women and girls is one of the most widespread violations of human rights. Since 1976, UNIFEM (the women's fund at the UN) has provided financial and technical assistance to innovative programs focusing on ending gender-based violence including initiatives to eliminate FGM, dowry murders and domestic violence. In 1996, the UN General Assembly established the UN Trust Fund in Support of Actions to Eliminate Violence Against Women. Managed by UNIFEM, the Trust Fund is the only multilateral grant-making mechanism that supports local, national and regional efforts to combat violence. While the Trust Fund has provided over $13 million to 226 projects in over 100 countries, the need for stricter laws, education and advocacy efforts to end gender-based violence persist.

The U.S. National Committee for UNIFEM is one of 16 national committees that support UNIFEM. We work to increase the visibility of UNIFEM in the U.S. and promote campaigns and events to support UNIFEM's four strategic areas: reducing women's poverty, ending gender-based violence, halting the spread of HIV/AIDS and supporting women's leadership. We are devoted to working toward a world where women and girls live free from violence, poverty and inequality. With Congress's support of this bill, we can ensure that we come one step closer to this goal. We applaud your efforts.

Sincerely,

CAROL POTEAT BUCHANAN,
President, U.S. National Committee for UNIFEM.

COUNCIL ON AMERICAN-ISLAMIC RELATIONS,
Washington, DC, October 8, 2007.

Hon. SHEILA JACKSON-LEE,
Rayburn House Office Building, Washington, DC.

DEAR CONGRESSWOMAN JACKSON LEE: The Council on American-Islamic Relations (CAIR) expresses its support for H. Res. 32, denouncing female genital mutilation, domestic violence, ''honor killings,'' acid burning, dowry deaths, and other gender-based human rights violations against women.

CAIR joins in calling for an end to such barbaric practices.

Perpetrators of these barbaric acts claim any number of philosophical, political or religious justifications. CAIR, drawing on our faith's admonition to establish justice, stands with those who reject such justifications.

CAIR, America's largest Muslim civil liberties group, has 33 offices, chapters and affiliates nationwide and in Canada. Its mission is to enhance the understanding of Islam, encourage dialogue, protect civil liberties, empower American Muslims, and build coalitions that promote justice and mutual understanding.

Sincerely,

NIHAD AWAD,
Executive Director.

Mr. BACA. Mr. Speaker, I stand here today in support of House Resolution 32 the Denouncement to the Suppression of Women.

Thousands of women a year fall victim to societies that deem them unworthy and in turn suffer at the hands of discrimination and violence. We must recognize that this violence is a manifestation of historically unequal power relations between men and women and it must be eliminated. Too many women are continuously tortured, beaten, mutilated and assaulted by husbands, fathers, and complete strangers without hope for support or promise of a safe haven to run to.

Domestic violence is the major cause of death and disability for women aged 16 to 44, accounting for more death and ill-health than cancer or traffic accidents. More than 60 million women are ''missing'' from the world today as a result of sex-selective abortions and female infanticide. The World Health Organization has reported that up to 70 per cent of female murder victims are killed by their male partners.

As Americans, citizens striving to preserve human life and oppose the discrimination of any person, we must move to impair these malevolent occurrences in full force.

United, we must denounce these demeaning practices and fervently demand an end to this persecution and a commitment to preserving the rights of female populations all over the world. No longer can we stand silent while thousands of women fall victim to cultural prejudice and international trafficking. I urge my colleagues to support this resolution.

The preservation of female rights must be a priority to this the 110th Congress as we continue to work towards ensuring democratic ideals worldwide.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am pleased to yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Texas (Ms. JACKSON-LEE) that the House suspend the rules and agree to the resolution, H. Res. 32, 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.

Ms. JACKSON-LEE of Texas. 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.

□ 1730

WAR PROFITEERING PREVENTION ACT OF 2007

Mr. SCOTT of Virginia. Mr. Speaker, I move to suspend the rules and pass

the bill (H.R. 400) to prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''War Profiteering Prevention Act of 2007''.

SEC. 2. PROHIBITION OF PROFITEERING.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by adding at the end the following:

''§ 1040. War profiteering and fraud

''(a) PROHIBITION.—Whoever, in any matter involving a contract with, or the provision of goods or services to, the United States or a provisional authority, in connection with a mission of the United States Government overseas, knowingly—

''(1)(A) executes or attempts to execute a scheme or artifice to defraud the United States or that authority; or

''(B) materially overvalues any good or service with the intent to defraud the United States or that authority;

shall be fined not more than $1,000,000 or imprisoned not more than 20 years, or both; or

''(2) in connection with the contract or the provision of those goods or services—

''(A) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;

''(B) makes any materially false, fictitious, or fraudulent statements or representations; or

''(C) makes or uses any materially false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;

shall be fined not more than $1,000,000 or imprisoned not more than 10 years, or both.

''(b) EXTRATERRITORIAL JURISDICTION.—There is extraterritorial Federal jurisdiction over an offense under this section.

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

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

''(2) in any district where any act in furtherance of the offense took place; or

''(3) in any district where any party to the contract or provider of goods or services is located.''.

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

''1040. War profiteering and fraud.''.

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

(c) MONEY LAUNDERING.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting ''section 1040 (relating to war profiteering and fraud),'' after ''liquidating agent of financial institution),''.

(d) RICO.—Section 1961(1) of title 18, United States Code, is amended by inserting ''section 1040 (relating to war profiteering and fraud),'' after ''in connection with access devices),''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. SCOTT) and the gentleman from Florida (Mr. KELLER) 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 have 5 legislative days to revise and extend their remarks and to include 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. Mr. Speaker, I yield myself such time as I may consume.

Reconstruction fraud has run rampant during the engagement of the U.S. forces in Iraq and Afghanistan. The United States has devoted more than $50 billion to relief and reconstruction activities there, and at least $8.8 billion cannot be accounted for.

Some of the reports of excessive profiteering are simply appalling. For example, one contractor was hired to build the Baghdad Police College, a facility to house and train more than 4,000 police recruits. After spending $72 million of U.S. taxpayer money, the contractor delivered an engineering nightmare with so many plumbing problems that auditors from the Special Inspector General for Iraq Reconstruction said that during the visit a substance dripped from the ceiling onto an assessment team member's shirt.

It's not only construction. There are widely reported stories of contractors double-charging taxpayers for sodas and overcharging the government 600 percent for fuel shipments.

Another report has a company running convoys of empty trucks back and forth across an insurgent-laden desert, pointlessly risking the lives of soldiers and drivers so the company could charge the taxpayer for phantom deliveries. Truckers referred to their cargo as sailboat fuel.

Inspector Generals have opened hundreds of investigations into fraud and waste in Iraq and Kuwait and Afghanistan involving illegal kickbacks, bidrigging, embezzlement and fraudulent overbilling.

The Special Inspector General for Iraq Reconstruction has more than 70 open and active investigations in contracting fraud and abuse in the war. In addition, private whistleblowers have filed numerous civil claims involving Iraq fraud under the False Claims Act.

Despite the breadth of all of these investigations and civil claims, the Department of Justice has chosen to pursue a relatively small number of cases. To promote a more vigorous Department of Justice prosecution of reconstruction fraud, the gentleman from Hawaii (Mr. ABERCROMBIE) has introduced H.R. 400, the War Profiteering Prevention Act of 2007.

Although there are anti-fraud laws to protect against waste of U.S. taxpayers' money at home, no law specifically prohibits war profiteering or expressly confers jurisdiction of U.S. courts to hear the fraud cases when our forces and reconstruction efforts are deployed overseas.

To clarify the full reach of the U.S. jurisdiction to appropriately punish this conduct wherever it may occur, H.R. 400 would criminalize overcharging taxpayers to profit excessively with the intent to defraud the United States Government or any provisional authority, such as the former Coalition Provisional Authority in Iraq.

This crime would be a felony, with criminal penalties up to $1 million in fines and up to 20 years in prison. In addition to prohibiting fraud, H.R. 400 also criminalizes false statements in providing goods and services in connection with the war or reconstruction effort. This crime would also be a felony, subject to criminal penalties up to $1 million and up to 10 years in prison.

The bill before us makes a few technical changes to the bill that was reported out of committee. Among them is a deletion of a provision providing for an alternative fund of twice the gross profits or other proceeds of the crime.

This alternative fund essentially duplicates and would possibly displace a stronger current provision in the law, section 3571(d) of title 18 of the U.S. code, which applies to all crimes.

But also note that the bill explicitly provides for an extraterritorial jurisdiction. The inclusion of this provision is meant to make it abundantly clear that this statute reaches war profiteering crimes wherever they may occur. However, it is not intended and should not be interpreted to undermine the extraterritorial reach of any other Federal criminal statute.

H.R. 400 sends a resounding warning, which I hope would be heard and taken to heart by all relief and reconstruction contractors doing business with the U.S. Government or any provisional authority operating under our control, that is, that contracting fraud not only undercuts our missions overseas, it is illegal. If you engage in it, you can expect to be vigorously prosecuted.

I urge my colleagues to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. KELLER of Florida. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of H.R. 400, the War Profiteering Prevention Act of 2007. If a contractor in Iraq decides to engage in the corrupt business practice of overbilling the U.S. military to maximize his profits, he will now face 20 years in a Federal prison cell and a fine of $1 million.

Those bad apples who defraud the American taxpayer must be held accountable, regardless of whether the sleazy, fraudulent practice occurred in the United States, Afghanistan, or Iraq. This is especially true when the

fraud relates to our military and reconstruction activities in Iraq and Afghanistan, because such schemes could directly harm our country's global war against terrorism.

Moreover, corruption by a handful of individuals who are ostensibly engaged in supporting our military and reconstruction efforts in Iraq and Afghanistan unfairly tarnishes the reputation of the many honorable military and civilian contractors, the overwhelming majority of whom risk their lives daily and professionally perform their duties.

Fortunately, according to the testimony of Stuart Bowen, Jr., the Special Inspector General for Iraq Reconstruction, most contractors are good apples, and the incidence of corruption within the U.S. reconstruction program constitutes a small component of the overall American financial contribution to Iraq's reconstruction.

These cases often require extensive investigative resources and documentation. Having to gather such evidence in a dangerous setting like Iraq or Afghanistan makes it difficult to build a successful criminal case.

Nevertheless, the U.S. Government has brought many successful prosecutions, and it will likely bring more. For example, Philip Bloom was sentenced earlier this year to 46 months in prison as a result of his scheme to defraud the Coalition Provisional Authority by rigging contract bids in excess of $8.6 million.

In addition, Robert Stein, the former Coalition Provisional Authority comptroller and funding officer, was sentenced to 9 years in prison earlier this year. He was prosecuted and convicted of funneling numerous contracts to Bloom in exchange for kickbacks and bribes. Overall, the Special Inspector General for Iraq Reconstruction has opened over 300 criminal and civil investigations, leading to 10 arrests, five persons indicted, five convicted, and two imprisoned. The Inspector General continues to work on 79 live investigations, and these investigations may involve one or more targets. Twenty-eight of these investigations are currently being prosecuted by the Department of Justice, 23 of these are criminal cases, and five are civil.

In short, this legislation creates a new crime with a maximum term of imprisonment of 20 years, which is double the existing crime of fraud against the government, and deservedly so.

I urge my colleagues to vote ''yes'' on H.R. 400.

Mr. Speaker, I reserve the balance of my time.

Mr. SCOTT of Virginia. Mr. Speaker, I yield such time as he may consume to the author of the bill, the gentleman from Hawaii (Mr. ABERCROMBIE).

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

Mr. ABERCROMBIE. Mr. Speaker, I submit for the RECORD a statement from Stuart W. Bowen, Jr., Special Inspector General for Iraq Reconstruction.

STATEMENT OF STUART W. BOWEN JR., SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION, BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON THE JUDICIARY SUBCOMMITTEE ON CRIME, TERRORISM, AND HOMELAND SECURITY

WAR PROFITEERING AND OTHER CONTRACTOR CRIMES COMMITTED OVERSEAS

(Tuesday, June 19, 2007, Washington, DC)

Chairman Scott, Ranking Member Forbes, and members of the Subcommittee, thank you for this opportunity to address you today on the work of the Office of the Special Inspector General for Iraq Reconstruction.

To ensure accurate context, permit me to outline several points essential to understanding the challenges of investigating and prosecuting fraud in Iraq.

First, corruption within the Iraqi government, indeed within the fabric of Iraqi society, is a serious problem that inhibits progress on many fronts in Iraq. This is widely recognized by the Government of Iraq and the international community. In our quarterly reports, SIGIR has called Iraq's endemic corruption problem a ''second insurgency.''

I returned last month from my 16th trip to Iraq and, during my visit, I met with the Commissioner of Public Integrity, who heads the institution created by the CPA to increase accountability for public corruption in Iraq—and the President of the Board of Supreme Audit, the analogue to the Government Accountability Office, which has existed in Iraq for many decades. The Iraqi anti-corruption authorities again emphasized to me the widespread nature of the problem of corruption, which stretches across the government, afflicting virtually every ministry. And they outlined for me the difficulties they face in implementing their respective anti-corruption mandates.

The CPI Commissioner told me that he currently has 2,000 cases involving $5 billion in alleged corruption. And the President of the Board of Supreme Audit has hundreds of audits ongoing. In virtually every case, he is uncovering a lack of accountability. Let me emphasize that the CPI and the BSA oversee Iraqi money—not U.S. money—that is missing or has been stolen from Iraqi programs.

During my visit, I was informed about political interference with the work of Iraqi investigators and prosecutors. For example, I learned that Ministers and former Ministers are exempt from prosecution unless the assent of the Prime Minister is obtained; and each Minister is entitled, under an Iraqi criminal code provision, to immunize selectively ministry employees from being held accountable for corruption.

Iraq must make progress on rule of law enforcement, in general, and corruption, in particular; political interference with fighting corruption remains a problem, undermining the effectiveness of the developing rule of law system and consequently eroding the Iraqi people's confidence in their government.

Iraq is a sovereign state. The role of the United States thus is to encourage the development of an efficient Iraqi justice system. We do this for its own sake and for the sake of maintaining and building upon the efforts made, at great cost in blood and treasure, by Americans and Iraqis since the liberation of Iraq.

SIGIR's specific role in this process has been to review the effectiveness of United States efforts to improve the rule of law system and to build up the corruption-fighting capacity of the Iraqi government.

On July 28, 2006, SIGIR released a survey on this subject and found that American efforts were funded at a very modest level, given the scope of the problem, receiving about $65 million (about three-tenths of 1 percent of our total reconstruction spending). My auditors found that American efforts have not been sufficiently coordinated and focused and that more adequate leadership and organization was needed. The U.S. Embassy has responded to some of these concerns since the review was released. SIGIR will soon release another review on the issue, updating our previous report.

SIGIR has a continuing investigative responsibility to detect and investigate malfeasance in American relief and reconstruction programs in Iraq. As part of this effort, we have developed good working-level and leadership-level relationships with the CPI and the BSA. We coordinate with these Iraqi agencies whenever we come across evidence of potential wrongdoing by Iraqis. SIGIR, of course, concentrates its law enforcement efforts on American targets and works with the Department of Justice in their effective prosecution.

My second point is that the incidence of corruption within the U.S. reconstruction program—judging from those cases that we have uncovered thus far—appears to constitute a relatively small component of the overall American financial contribution to Iraq's reconstruction. Based on the work of our 18 career investigators on SIGIR staff, I believe that losses to American taxpayers from fraud within reconstruction programs will likely amount to a relatively small component of the overall investment in Iraq, totaling in the tens of millions (rather than hundreds of millions or billions, as is sometimes imagined). However, the fact that the fraud we have detected is relatively small (to date) does not diminish the aggressiveness with which SIGIR pursues allegations of fraud in Iraq. We have found egregious incidents of fraud. And in partnership with the Department of Justice, SIGIR has produced clear results in prosecutions and convictions.

For example, in January, two individuals were sentenced to prison as a result of SIGIR investigations. In early February, indictments were announced of five more individuals, resulting from SIGIR investigations. To date, SIGIR has opened over 300 cases, and we have over 70 ongoing investigations. Thirty-two of those cases are under prosecution at the Department of Justice.

We believe that the publicity our enforcement actions have received has helped to deter misconduct in the U.S. reconstruction program. And we also believe that enforcement will be an increasingly important part of SIGIR's mission over the next 18 months. Moreover, in the course of this year, we expect to produce concrete investigative results as significant current cases come to fruition.

SIGIR remains committed to a robust, deterrent presence in Iraq as long as our temporary organization exists. Today, I have five investigators on the ground in Iraq investigating fraud. Although there are other law enforcement agencies fighting fraud in Iraq, SIGIR has maintained over the past 3 years the largest contingent of fraud investigators in Iraq. My investigators travel the country under dangerous conditions, pursuing leads, interviewing witnesses, and piecing together evidence on a wide variety of cases. Their work also takes them to other countries in the region. Of note, SIGIR is currently reducing its overall personnel ''footprint'' in Baghdad in conjunction with the reduction in spending of appropriated dollars on Iraq reconstruction.

One of the most important aspects of our investigative efforts is the development of

task-force relationships with other agencies involved in oversight in Iraq, including may colleagues from the Office of Inspector General of the Department of Defense and the Defense Criminal Investigative Service, as well as the Federal Bureau of Investigation. SIGIR has 16 investigators in Arlington, and we are participating in the new Joint Operations Center located at the FBI to coordinate and enhance fraud investigations in Iraq.

SIGIR's first task force was the Special Investigative Task Force for Iraq Reconstruction (SPITFIRE), and it combined the efforts of the Internal Revenue Service, the Department of Homeland Security, Immigrations and Customs enforcement office, the FBI and the Department of State Office of Inspector General. That task force was able to effectively pursue the Bloom-Stein conspiracy that my auditors uncovered in Hillah, Iraq—a very egregious kickback and bribery scheme involving over $10 million in reconstruction funds that Philip Bloom, the contractor, and Robert Stein, the Coalition Provisional Authority comptroller for that region, engineered for their own criminal ends. SPITFIRE continues its work today; and we continue to pursue a number of leads that arose from the Bloom-Stein case.

The other major task-force initiative that SIGIR has initiated with the FBI is the International Contract Corruption Task Force (ICCTF). ICCTF prompted the creation of the Joint Operations Center mentioned above, which is producing the effective collection and coordination of investigative leads and source development. Although I am not at liberty to discuss details of these cases, I am very pleased with the very significant progress the JOC investigators have made, news of which I expect to be forthcoming later this year.

Along with SIGIR, the ICCTF includes the U.S. Army's Criminal Investigative Division's Major Procurement Fraud Unit, the Defense Criminal Investigative Service, the FBI, and the inspectors general of the Department of State and the Agency for International Development.

SIGIR is also part of the DOJ National Procurement Fraud Task Force. We continue to work closely with DOJ in the investigation and prosecution of our cases.

Finally, to coordinate efforts in oversight in Iraq, I formed the Iraq Inspector Generals' Council, IIGC, 3 years ago, which brings together every agency with oversight authority in Iraq for a meeting every quarter. The IIGC exists to deconflict and coordinate the member agencies' oversight efforts in Iraq.

SIGIR is not limiting its efforts just to addressing contractor misconduct through the criminal justice system. We also refer cases to the U.S. government's administrative debarment and suspension processes. To date, the competent oversight authorities have, through established rules that preserve due process, suspended 17 companies and individuals, debarred ten, and have another nine pending debarments.

To date, SIGIR has produced 13 quarterly reports, 86 audit reports, and 90 inspection reports. Our auditors and inspectors regularly refer investigative leads to our investigators some of which have developed into very significant cases. The Bloom-Stein case is just one example.

SIGIR's three lessons-learned reports produced to date have provided recommendations on policies designed to improve economy, efficiency and effectiveness for the Iraq program and for future reconstruction and stabilization operations. The reports have prompted the introduction of reform measures in the Congress that will improve contracting processes. SIGIR is at work on a lessons-learned capping report, which will be produced at the end of this year. It is my hope that our lessons learned reports will prompt reforms that will improve the capacity of law enforcement to deter crime.

Mr. Chairman, with respect to H.R. 400, Representative Abercrombie's bill entitled the ''War Profiteering Prevention Act of 2007,'' our position is essentially what it was when we were asked to reflect on its counterpart at a Senate hearing this past March. SIGIR remains a strong proponent of legislation that would strengthen efforts to punish fraud or abuse in contracting programs in Iraq or elsewhere. We look forward to working with the Department of Justice to enforce H.R. 400, should it become law. We are, however, unaware of instances where the Justice Department was unable to prosecute, under existing law, on the facts we developed in our investigations.

One of our responsibilities in Iraq is to encourage efficiency in the reconstruction effort. In that role, we have prompted management to seek the widest possible participation by business enterprises (especially Iraqi firms) in reconstruction. The security risks in Iraq are self-evident, and thus the risks to any business enterprise operating in such an environment are mammoth. International companies likely will not get into the business of reconstruction in Iraq without incentives that render the risk-taking worthwhile. This reality should figure in the development of legislation that affects contracting in Iraq or similarly insecure environments.

Whether H.R. 400 becomes law, SIGIR will continue to aggressively pursue investigations, provide robust oversight through audits and inspections, and will press for more efforts to improve contract administration, quality assurance, and quality control. It is my hope that our continuing efforts will help promote an aim we all share—a reconstruction program that is administered and executed honestly, and is as well-managed and efficient as possible under very challenging circumstances.

Mr. Chairman, members of the Committee, thank you for your time and attention to these important matters, and I look forward to answering your questions.

Mr. ABERCROMBIE. I want to pay a special thank you, a big mahalo, to Mr. SCOTT and to the Judiciary Committee for their hard work. I am very grateful to the ranking members, the Republicans and Democrats. We cannot resolve this without seeing to it that we have a bipartisan approach on this.

I am particularly grateful to Senator PAT LEAHY, who is the Judiciary Chairman in the Senate, for entrusting this bill to our care here in the House and allowing me to introduce it as a companion bill to the one that has passed in the Senate. I am very hopeful that we can get a vote in the Senate and move this to the President's desk.

When the wrong computer equipment arrived in Iraq, the contractor ordered it dumped into a mammoth burn pit and placed an order for replacements, rather than sending it back. The government paid for both the wrong computers and the replacements. The contractor collected a fee for each, thanks to a cost-plus contract.

Halliburton had drivers driving empty trucks between bases in Iraq, unnecessarily exposing the drivers to danger, because the company was paid by the trip, not by the amount of materiel hauled or a flat fee; $186 million was spent over 2 years to build 142 health care centers, yet only 15 have been completed and only eight are open. According to testimony, the contractor lacked qualified engineers, hired incompetent subcontractors, failed to supervise construction work, and failed to enforce quality control.

A large U.S. construction company was paid tens of millions of dollars to repair Iraq's schools. Many of the schools were never touched, and several that were repaired, and I say that in quotes, were left in shambles, one filled with unflushed sewage.

At least 10 companies with billions of dollars in contracts have already been forced to pay up to $300 million in penalties to resolve allegations of bid-rigging, fraud, gross overcharging, delivery of faulty military parts and environmental damage, $300 million in penalties. Some of these same companies have faced such allegations during past military operations in other countries, but have had no problem receiving new contracts in Iraq.

Despite millions of dollars in payments to U.S. companies, key pieces of Iraq's infrastructure, power plants, telephone exchanges, sewage and sanitation systems, have either not been repaired or have been fixed so poorly that they still don't function.

How has this been allowed to happen? The United States Government directly and through the late Coalition Provisional Authority have outsourced the war in Iraq like no other in our history, spending more than $50 billion on private contractors to provide food, water, gasoline and other supplies, guard bases, drive trucks, and many other activities in support of our troops.

But consistent with the administration's overall attitude toward spending public money with private companies, little or no thought was given to contract oversight or accountability. As a result, some of these contractors have declared the U.S. occupation of Iraq open season on the taxpayer. Cleaning up this mess has been hampered by the fact that while anti-fraud laws protect against the waste or theft of U.S. taxpayers in the United States, there have been no statutes prohibiting sleazy business practices by American companies overseas.

As we have learned in the investigation of the Blackwater USA contract, the Coalition Provisional Authority issued order number 17, which specifically exempted U.S. contractors from Iraqi law.

In fact, one contractor was found guilty of 37 counts of fraud, including false billing, and was ordered to pay more than $10 million in damages, but the decision was overturned because the contracts were let through the Coalition Provisional Authority, and it was found that U.S. laws against fraud did not apply.

Despite the fact that the Coalition Provisional Authority was created by the Bush administration under the Department of Defense; despite the fact

that L. Paul Bremer, the overseer in Iraq, subsequent to the initial attack on Iraq, had an office literally across the hall from Secretary Rumsfeld, the Coalition Provisional Authority was not considered part of the U.S. Government, and, therefore, U.S. laws were unenforceable.

These practices are a flagrant abuse of the public's trust and the public's money during a time of war and cannot be allowed to continue. H.R. 400, the War Profiteering Prevention Act of 2007, will, one, criminalize war profiteering defined as contract fraud or overcharging for goods and services in connection with the mission of the United States Government overseas; two, violations of law will be a felony and punishable up to 20 years in prison and fines up to $1 million or twice the illegal profits of the crime; three, jurisdiction for such cases, no matter where the alleged crimes are committed, will be in the United States Federal court.

H.R. 400 was heard and considered by the House Judiciary Subcommittee on Crime, Terrorism and Homeland Security and ordered reported to the full Judiciary Committee by a voice vote on August 1. Among the many significant consequences of the decision to invade and occupy Iraq marked by a complete dismissal of the need for intelligent planning and stunning incompetence in the conduct of the war, this problem has received too little attention from the news media, the public, and the Congress.

□ 1745

Most of the cases of fraud, questionable business practices and outright corruption have been uncovered and investigated through the efforts of the Special Inspector General for Iraq Reconstruction, Mr. Stuart Bowen, Jr. Mr. Bowen and his super staff both here in the U.S. and on the ground in Iraq have provided oversight and insight under the most difficult conditions imaginable for billions of American taxpayer dollars intended to rebuild Iraq and support our troops in combat. They deserve our gratitude. They deserve the gratitude of the Congress and the Nation for a tough job well done.

Mr. Speaker, this bill, together with H.R. 2740, legislation passed by this House last week to expand the reach of the Uniform Code of Military Justice to private civilian security operatives in the region are two important steps this Congress is taking to clean up the mess in Iraq.

H.R. 400, in conclusion, Mr. Speaker, the War Profiteering Prevention Act will help end the open season declared on American taxpayers.

Mr. KELLER of Florida. Mr. Speaker, at this time I yield 5 minutes to the gentleman from Virginia (Mr. TOM DAVIS).

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today to oppose this bill, not because I oppose punishing war profiteers or punishing corruption in contracting. I think these are critical, important laudable goals.

I oppose this bill because creating a new law ''involving a contract or the provision of goods or services to the United States'' is a matter which must be considered in relation to the existing Federal acquisition systems, which this bill is not. Any attempt to legislate without considering the current system can have disastrous, albeit unintended, consequences which in this case include serious criminal penalties.

As others have said today, we all agree that fraud against the United States undermines national security and there must be severe penalties for it. And of course we all agree corruption of any kind is unacceptable. Our committee in the last Congress held several hearings on contracting in Iraq and the difficulties that were faced there. And if the current law is inadequate to punish wrongdoers for these offenses, Congress should act.

But taking up this bill in this way at this time proves to me that some of my colleagues on the other side of the aisle are caring about passing a bill so that they can take political potshots at contractors. Hundreds of contractors' lives have been lost over in Iraq, and I think the widows and the mothers of these sons and daughters who have been killed in Iraq would be, I think, chagrined to hear their sons referred to as profiteers. In many cases the contractors are more in harm's way than our troops. They don't get the body armor. Many of them don't operate in the Green Zone or on bases. This is, in fact, a substitute, a proxy, if you will, because the majority can't put together a plan to end the war in Iraq so we go after contracting in Iraq. I think there are some things we could do, but I don't think this bill is the appropriate way to get through it. The words in this case don't make sense. It's not good law. What you care about is contractor bashing, consequences be damned.

It is hard to get good companies to do business in Iraq. It is dangerous, it is expensive, it has all kinds of contingencies, and a lot of the best companies say we don't want to have anything to do with.

The relationship between the government and the contractor is an arms-length business one, with many laws outlining how this relationship should proceed. Adding additional language to the criminal code regarding certain aspects of this relationship will have unintended consequences which have to be considered before moving this legislation forward.

For example, the bill makes it a crime to materially overvalue a good or service. Under the Truth in Negotiation Act, a detailed process is already set out in which to address claims of defective pricing in Federal contracts. To those who don't know this government contract lingo, this might sound like fraudulent behavior.

But defective pricing occurs when a company's contract price is significantly increased because the company submitted pricing data that was not accurate, complete and current. That's 10 U.S.C. 2306(a). In these cases, the government is generally entitled to a price reduction to remedy any overcharge by the submission of defective pricing data.

The government takes seriously overpayments based on defective pricing and aggressively pursues contractors found to have engaged in these practices, in some cases including debarment. A contractor's liability can extend beyond the repayment of any overcharges, and under current law, can include fraud claims against the contractor.

But under H.R. 400, would an overzealous prosecutor be able to go after a company with a defective pricing claim against it as materially overvaluing a good or service? Maybe. Maybe not. But we, on the Oversight and Government Reform Committee with jurisdiction over Federal procurement should have the opportunity to consider this language and its impact on the Federal acquisition system.

The interrelationship of procurement law and the criminal law can be complicated. We have to be careful not to criminalize procurement management matters just because you can. Careful study is required to separate criminal behavior from management issues.

I see other problems as well. Allowing a Federal prosecutor to enter post hoc determinations on whether a contract provides appropriate value to the government would have a chilling effect on a contracting officer's decision-making.

Contractors would be discouraged from providing innovative solutions to government problems for fear that their solutions would subject them to charges of material overvaluation if the solution didn't work out as planned.

Competition would be discouraged, which is the cornerstone of getting the best price and value because prospective contractors could be subjected to harsh penalties at the whim of a prosecutor who probably doesn't understand the acquisition system.

In fixed price contracts, the price which the government buys would likely increase because contractors would have to include the possibility of these penalties in their pricing, costing the taxpayers money.

In commercial contracts the market dictates what is a fair value, not a post hoc prosecutor's determination whether the government got appropriate value from the contract.

I support strong penalties for war profiteering. I support strong penalties for corruption. I do not support H.R. 400 because I don't believe it has been given appropriate consideration by this House and numerous unintended consequences.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself such time as I may consume, just to point out that the standard in the bill on page 2, line 10, it says

that you have to execute or attempt to execute a scheme or artifice to defraud the United States or materially overvalues any good or service with the intent to defraud. That's a very high standard, not just overcharging, but overcharging with the intent to defraud or, in the second part, tries to cover up the deed. Those are high standards, and people will know that they're committing a crime when, in fact, they do that.

Mr. ABERCROMBIE. Mr. Speaker, will the gentleman yield?

Mr. SCOTT of Virginia. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Speaker, I find it very unfortunate that my good friend from Virginia has taken a position that the bill in any way encourages the whims of prosecutors. As Mr. SCOTT has pointed out, the standard is very high and applies to any contract, whether it's in the United States or overseas. There is nothing applied to the contracts overseas that is not applied to a contract here in the United States when it comes to the question of fraud or overcharging or deliberate deception with regard to the contract. That standard has to be met in any court and has to come before any judge meeting such a standard. There is no differentiation whatsoever.

The reason the bill is here, and the reason we're bringing the legislation, is the courts have ruled that there is, at best, an ambiguous situation, if not an outright gap between the capacity for prosecution of such a crime, should the standard for the crime be sustained by a prosecutorial investigation, and what is possible in Iraq. It can't be prosecuted in Iraq, and the courts found that it wasn't. We did not have legislation sufficiently clear in the United States in order to prosecute it. Thus, far from arbitrary or capricious prosecution, we have the opportunity for arbitrary defrauding of the United States taxpayer with no consequences. That's why the legislation is here.

Mr. SCOTT of Virginia. Mr. Speaker, I reserve the balance of my time.

Mr. KELLER of Florida. Mr. Speaker, I yield myself as much time as I may consume, and then I will turn and yield 30 seconds to Mr. DAVIS of Virginia. I will go ahead and respond as Mr. DAVIS is gathering his thoughts.

One of the concerns Mr. DAVIS raised was what if there was some inadvertent overpricing by a contractor based on a mistake and later went back and corrected it. My reading of the bill is that person wouldn't be prosecuted because there's a three-prong standard. First, you have to knowingly, materially overvalue goods or service with the intent to defraud. And the intent-to-defraud prong would not be met under the analogy or the example Mr. DAVIS gave because ''intent to defraud'' is a term of art which requires that the actor possesses the specific intent to cheat the government. And you would not have that element of the crime proven if you had inadvertent overpricing based on a mistake.

Now, it doesn't mean you may not have what he's concerned about, an overzealous prosecutor try to prosecute someone without having the prongs or the factual basis for it. We can ask the prosecutor from the Duke case what happens when you're overzealous in your prosecutions. But I believe under that particular example that person wouldn't be prosecuted.

However, before I yield to Mr. DAVIS, let me just say, he does have a great deal of experience dealing with Government reform issues as the ranking member and represents a lot of government employees. And so I certainly am empathetic to his concerns that perhaps his committee might have had some insight into this bill that was worth looking at.

Mr. Speaker, I yield 30 seconds to the gentleman from Virginia (Mr. TOM DAVIS).

Mr. TOM DAVIS of Virginia. Mr. Speaker, I think the key here is that this legislation is needed. You have defective pricing legislation. You have Qui Tam actions. You have the Procurement Integrity Act. The language in this bill that concerns me is not the fact that its intent to defraud; that's in a lot of legislation. It's materially overvalues any good. And I can't find any precedent for that in the federal acquisition regulations. I can't find any precedent in terms of what this means and how a prosecutor could take this from materially overvaluing any good. That is a very subjective measurement. There are a lot of unintended consequences. And I suspect this bill will pass today, although not with my vote. But I hope we can improve it if we're going to make this actual law.

Mr. SCOTT of Virginia. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri, the chairman of the Armed Services Committee, Mr. SKELTON.

Mr. SKELTON. Mr. Speaker, I think this is a very important piece of legislation.

Let me take this opportunity to compliment my friend from Hawaii for introducing it and for bringing it to the floor. Mr. ABERCROMBIE is indeed to be commended for this work.

What this does is merely closes some loopholes that are presently in the United States law. Defrauding the Federal taxpayer should be a felony, and it is subject to considerable years in prison and a fine up to $1 million or twice the illegal profits of the crime.

When we're in a war situation, you want people to work hard. We expect a great deal from those in uniform. And we expect those who are supplying and building and reconstructing in the war-torn area to also play by the rules as we demand of those young men and young women in our United States military.

So this bill does the right thing. It goes after the war profiteering, that is the overcharging in order to defraud or profit excessively from the war. And this bill also confers jurisdiction within the Federal courts to hear and try such cases. It's the right thing. It's the right action for us to take in this Congress.

I, again, compliment the gentleman from Hawaii (Mr. ABERCROMBIE), and I thank the gentleman from Virginia (Mr. SCOTT).

Mr. KELLER of Florida. Mr. Speaker, I yield myself as much time as I may consume and am prepared to yield back as we have no further speakers.

Mr. Speaker, this is a bipartisan bill. We agree on a bipartisan basis that when a corrupt contractor overbills our U.S. military, it rips off the taxpayers, it hurts our national security, and it unfairly stains the reputation of the many honorable military and civilian contractors who risk their lives every day and do a professional and honest job.

□ 1800

This bill appropriately says that if you plan on overbilling or ripping off the U.S. military in terms of these contracts to do reconstruction work or military-related work in Iraq or Afghanistan, you are going to be sitting in a prison cell for 20 years and you are going to pay a fine of $1 million. We think that is an appropriate message to accept in light of this problem. And I urge my colleagues on both sides of the aisle to vote ''yes'' on H.R. 400.

Mr. Speaker, I yield back the balance of my time.

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

I thank the gentleman from Florida for his support for the bill. And as he has indicated when my distinguished colleague from Virginia pointed out all of the different acts that apply, one of the major problems was that there is no jurisdiction to actually prosecute those claims without this legislation. The standard is high. There is an intent to defraud.

I would hope that the House would pass the bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H.R. 400, the ''War Profiteering Prevention Act of 2007.'' I support this bill because it strengthens the tools available to Federal law enforcement to combat contracting fraud during times of war, military action, or relief or reconstruction activities.

Mr. Speaker, H.R. 400 creates a new criminal offense in title 18 of the United States Code for fraudulent acts involving contracts or the provision of goods and services in connection with war, military actions, and relief or reconstruction activities. This new offense provides a significant new tool for federal law enforcement, as well as creating a strong deterrent to those who would contemplate exploiting the exigencies of war, military actions, relief or reconstruction activities to commit fraud and profit thereby.

The new offense may be committed in two ways: (1) By committing fraud or (2) by making a materially false statement. The fraud provisions would make it a crime to execute or attempt to execute a scheme or artifice to defraud the United States or to materially overvalue any good or service with the specific intent to defraud. These provisions are designed

to prohibit schemes to defraud the United States, including efforts to exploit ''cost plus'' or ''no-bid'' contracts by materially overvaluing goods or services with the specific intent to defraud.

These provisions are not intended to prohibit or punish contractors providing goods or services in the normal course of business, and the legislation specifically requires that violators may only be criminally liable if they materially overvalue any good or service ''with the specific intent to defraud.'' This provision is intended to ensure that no contractor will be prosecuted under this offense for mere negligent or mistaken conduct.

The material false statement provisions would make it a crime to: (1) Falsify, conceal, or cover up by any trick, scheme or device a material fact; (2) make any materially false, fictitious, or fraudulent statements or representations; or (3) make or use any materially false writing or document knowing they contain a false, fictitious, or fraudulent statement. This language is consistent with other material false statement provisions under Federal law, such as sections 1001 and 1035 of title 18 of the U.S. Code. The new offense also requires that conduct be done knowingly and willfully to constitute a criminal violation.

The new offense would require that the fraud or material false statement be in connection with any war, military action, or relief or reconstruction activities. This would include circumstances where war was declared, or where the executive branch was engaged in any military action with or without congressional authorization. This would also include relief or reconstruction activities, whether or not a war or military action was undertaken. This new offense is intended to deter fraud and material false statements committed in connection with any of these exigencies.

The new offense also requires that the conduct be subject to the jurisdiction of the United States. This term is to be interpreted broadly consistent with the jurisdictional scope of the federal material false statement statute, 18 U.S.C. § 1001. In addition, the new offense explicitly provides extraterritorial jurisdiction and is intended to extend jurisdiction for this offense to the full extent of U.S. law. This provision has been included to ensure that offenses occurring outside the United States, even by non-U.S. nationals, may be prosecuted. Furthermore, consistent with other federal fraud provisions, the U.S. Government need not be a victim or suffer a loss from this offense provided the conduct meets the other elements of the offense. The bill also establishes venue for the offense as authorized by existing federal statutes (see 18 U.S.C. §§ 3231–3244) including extradition, or in any district where any act in further of the offense took place, or where any party to the contract or the provider of goods or services is located.

Violations of the fraud provisions in this bill would be punishable by imprisonment for up to 20 years, and violations of the material false statement provisions would be punishable by imprisonment for up to 10 years. All violations of this new offense would be subject to fines of up to $1,000,000 or twice the gross profits or other proceeds of the offense. The offense provides for criminal and civil forfeiture of any unlawful proceeds, and makes the new offense a predicate crime for money laundering (18 U.S.C. § 1956(c)(7)) and for racketeering offenses (18 U.S.C. § 1961(1)).

Let us strengthen the tools available to federal law enforcement to combat contracting fraud during times of war, military action, or relief or reconstruction activities. I urge my colleagues to vote in favor of H.R. 400, the ''War Profiteering Prevention Act of 2007.''

Ms. HIRONO. Mr. Speaker, I rise in support of H.R. 400, the War Profiteering Prevention Act of 2007. I am a proud cosponsor of this legislation, introduced by my colleague from Hawaii NEIL ABERCROMBIE. This bill would prohibit profiteering and fraud relating to contracts executed by the United States Government or a provisional authority for the provision of goods and services in support of U.S. missions overseas. This long overdue legislation will help correct the unconscionable and unpatriotic defrauding of the United States government, our armed services, and American taxpayers. Unfortunately, the problem of contractor fraud has proliferated in the past 4 years.

The United States has spent over $50 billion on contracts thus far in Iraq to provide for support services, security, infrastructure construction, and reconstruction work. Much of this spending has been under no-bid or cost-plus contracts. As a result of inadequate planning, control, enforcement, and prosecution, the free-spending, former Coalition Provisional Authority could not account for $8.8 billion of that money. Allegations about rampant waste, over-billing, and outright fraud have been reported time and time again, but no action has been taken to correct this waste of taxpayer dollars.

Unfortunately, current law does not explicitly extend extraterritorial jurisdiction for contract fraud on contracts executed by the U.S. Government or any provisional authority supporting a U.S. mission abroad. As a result, numerous instances of fraud have been committed and inspectors general have initiated hundreds of investigations of alleged fraudulent practices, including illegal kickbacks, bid-rigging, embezzlement, faulty construction, and fraudulent over-billing.

We need to toughen the laws which apply to individuals and corporations who have placed personal profit and greed over the interests of American taxpayers and our men and women serving in the armed services. While most private contractors are not overcharging the government and are providing good value with their goods and services, others are engaged in fraud and waste, costing the American taxpayers billions of dollars that could be spent on domestic needs, including funds that could have gone to our underfunded schools, health clinics, infrastructure, and environmental programs.

Even when the government does act to enforce fraud statutes on the books, it has been stymied by the inadequacy of current law. The infamous case against Custer Battles, an American contractor in Iraq found to have committed 37 acts of fraud, is a case in point. Custer Battles was one of a few contractors that was actually prosecuted and was ordered to pay $10 million in damages. However, it was allowed to walk away scot-free when a federal judge overturned the verdict on a technicality. The court found that United States fraud law did not apply to this contractor since the contract went through the Coalition Provisional Authority which the court held was not part of the United States government. The incompetence of this administration not only permitted fraud against the U.S. but allowed the perpetrator to escape punishment.

To successfully prosecute these individuals and corporations, H.R. 400 provides clear and unambiguous legal authority to criminalize this unconscionable behavior on the part of greedy, corrupt contractors and provides a mechanism for successful prosecution. We are talking about prosecuting contractors who willfully and intentionally defraud the government, not those who merely make a business mistake. We should have no sympathy or leniency for those who purposely defraud taxpayers.

This is not a partisan issue. As Americans, we should all stand together to put an end to greed and corruption in our government programs, which hurts the troops on the ground, undermines the efforts of our armed forces, enriches the greedy and corrupt, and steals from the American taxpayer. This must end, H.R. 400 is a major step to bring accountability to the contracting process.

Mr. BLUMENAUER. Mr. Speaker, as part of our ongoing efforts to end the war in Iraq, H.R. 400 is an important step in standing up against those who defraud our troops or improperly profit at the expense of our troops. We must be vigilant in prosecuting war profiteers, using every tool available. The President should use his legal authority to cancel contracts with those that defraud the government and be aggressive in seeking to recover lost funds. If he is unwilling to do so, Congress will hold him accountable.

Mr. SHAYS. Mr. Speaker, I support this legislation, and believe it is important to clarify overseas contract fraud involving U.S. taxpayer dollars is a crime that will not be tolerated and will be prosecuted.

Contractors have labored in Iraq under incredibly severe circumstances; most have worked honestly and in good faith, and some have even given their lives trying to improve the lives of Iraqi citizens. During 18 trips to Iraq I have seen firsthand the incredible work contractors have done—building schools, repairing power plants, and working with the Iraqi people to restore critical infrastructure.

Unfortunately, a few bad actors have operated greedily and dishonestly and in the end have defrauded not only the Iraqi people the contracts were intended to assist, but have also defrauded their own American government. Perhaps worst of all, the criminal actions of a select few have tarnished the image and integrity of the United States.

This legislation will create a new criminal fraud offense to prohibit fraudulent acts involving the provision of goods or services in connection with a mission of the United States Government overseas. It also makes this new offense a predicate crime for criminal forfeiture, as well as for Federal money laundering and racketeering offenses. It is my hope this legislation will provide more clarity regarding crimes committed abroad, and not less. Ranking Member TOM DAVIS has identified several important criticisms of this legislation, and I hope my friends on the other side of the aisle will seriously consider and address those as this bill moves forward.

Way back in 1988, I voted for the Major Fraud Act, which creates criminal penalties of up to $1 million in fines and 10 years imprisonment for anyone who knowingly defrauds the U.S. government. There are numerous other statutes, such as the Criminal False

Claims Act and the Anti-Kickback Act, which criminalize acts of fraud.

Working with then-Government Reform Committee Chairman TOM DAVIS, the Subcommittee on National Security, Emerging Threats and International Relations, which I chaired from 1999 to 2006, had several hearings on contracting concerns in Iraq. During the hearings, several DoD witnesses with oversight responsibility for contracting in Iraq testified about the challenges of coordinating the tremendous task of rebuilding Iraq. While I recognize the tremendous task and difficult challenges associated with the reconstruction of Iraq, the bottom line is the Coalition Provisional Authority was under-staffed and overburdened.

I appreciate this legislation being brought to the floor and hope it will provide needed clarity about the United States' intention to prosecute those who defraud our government.

Mr. SCOTT of Virginia. Mr. Speaker, 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 bill, H.R. 400, 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. SCOTT of Virginia. 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.

EXPRESSING THE CONDOLENCES OF THE HOUSE OF REPRESENTATIVES ON THE DEATH OF THE HONORABLE JO ANN DAVIS, A REPRESENTATIVE OF THE COMMONWEALTH OF VIRGINIA

Mr. WOLF. Mr. Speaker, I offer a privileged resolution (H. Res. 717) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 717

Resolved, That the House has heard with profound sorrow of the death of the Honorable Jo Ann Davis, a Representative from the Commonwealth of Virginia.

Resolved, That a committee of such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant-at-Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of applicable accounts of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That when the House adjourns today, it adjourn as a further mark of respect to the memory of the deceased.

The SPEAKER pro tempore. Without objection, the Chair may postpone further consideration of House Resolution 717 as necessary to accommodate voting at approximately 6:30 p.m.

There was no objection.

The SPEAKER pro tempore. The gentleman from Virginia is recognized for 1 hour.

Mr. WOLF. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia (Mr. SCOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, it is with profound sadness that we come to the floor tonight to honor the memory of our colleague and friend, the Honorable JO ANN DAVIS, who lost her 2-year battle with breast cancer this past Saturday. She was not only our House colleague; she was our Virginia colleague who represented the First District of Virginia, a district which she proudly called ''America's First District'' because of our country's roots at Jamestown and the many significant events in history which occurred there.

JO ANN DAVIS also could have had a first next to her name because she was the first Republican woman elected to Congress from Virginia in 2000 to succeed our late colleague Herb Bateman. But that historic aspect of her career in Congress was not important to her. Representing her constituents and being the best Member of Congress she could be for the people of her district, that was what was most important to her.

Her career in elected office spanned 10 short years, from her first election in 1997 to the Virginia House of Delegates to her four elected terms in the House beginning in the year 2000.

But over that decade she made her mark as a deeply caring and very hard-working public servant who believed in common sense and conservative ideals. In remembering JO ANN's work in Congress, there are several thoughts I would like to share.

She battled to the end with courage and grace in her fight against breast cancer. When she was first diagnosed in 2005 with the insidious disease, she announced it publicly to encourage other women to beware of the disease. Her bravery and personal strength were a source of inspiration to many. She was a person of honesty, integrity, and very strong moral conviction in representing her district and living her life. And she had a very strong commitment to the Lord. She was a dedicated and tenacious fighter for her beliefs, and the importance of her faith was obvious in the way she cared for and treated others and in the way she did her job.

She was a tireless and passionate advocate for the First District in Virginia, working to protect the military interests in her district and Navy shipbuilding in Newport News. She co-founded the Congressional Shipbuilding Caucus as she worked to provide for the defense of our Nation.

But as important as that work was for JO ANN, protecting the interests of men and women in uniform, their families, and veterans was priority number one.

She also worked hard for other local interests, such as the removal of the ''ghost fleet'' of obsolete, environmentally hazardous ships from the James River; better regulation of the amount of trash coming into Virginia; and protecting the resources of the Chesapeake Bay.

This House and this Nation will miss JO ANN DAVIS and her dedication to public service. I want to express my sincere condolences to her staff, both in Washington and in her district, who can be proud of their work by her side for the people of America's First District. JO ANN DAVIS had an outstanding staff, and I want to thank the staff.

I also want to join with my colleagues in expressing profound sympathy to JO ANN's husband, Chuck; and their two sons, Christopher and Charles; and a granddaughter.

In remembering JO ANN DAVIS and her life of service to others, I am reminded of the words of Scripture where it says: ''Well done, good and faithful servant.''

Mr. Speaker, I submit for the RECORD a news article and editorial from the Newport News Daily Press about our late colleague, the Honorable JO ANN DAVIS.

[From the dailypress.com, Oct. 8, 2007]

THE UNLIKELY POLITICIAN—THE SELF-DESCRIBED COUNTRY GAL PREFERRED HORSES TO THE CAPITOL HILL PARTY CIRCUIT

(By David Lerman)

She was, by her own admission, an unlikely politician.

Virginia Rep. Jo Ann Davis, who died of breast cancer Saturday at age 57, was more at ease with her beloved horses on her Gloucester farm than the cocktail party circuit on Capitol Hill.

The self-described country gal and former real estate agent fell into a congressional career almost by accident. It took church connections, perseverance and the sudden withdrawal of the leading Republican Party favorite to propel Davis to the office she first won in 2000.

''I could have cared less about politics,'' she recalled in a 2003 interview. ''I did not know there was a Republican Party committee in Virginia.''

But since becoming Virginia's first female Republican member of Congress, Davis learned her role quickly and, many agreed, managed to make the 1st District House seat her own:

When obsolete, environmentally hazardous ships started mushrooming in the James River off Fort Eustis, Davis fought for federal funding to speed up their removal—and made significant progress.

When state and local officials complained about the barrage of trash coming into Virginia landfills from other states and littering state highways, Davis pushed for legislation to limit interstate waste.

While that effort stalled, she won approval of a measure establishing a series of random safety inspections for waste haulers.

When military personnel and federal employees complained of inadequate benefits, Davis won passage of legislation increasing the life insurance benefits paid to survivors of military members killed on duty.

And when Pentagon budgets forecast a steady decline in the size of the Navy's fleet, Davis sounded the alarm.