government bureaucracy mandates but because a market-driven economy rewards well-built products.

Mr. Speaker, I urge my colleagues to vote for H.R. 3824, which will reduce unnecessary regulation.

Mr. HOBSON. Mr. Speaker, I was surprised when several of my constituents contacted me about a little-known law passed eight years ago which has not yet been implemented. The original intent of this law, the Fastener Quality Act of 1990, was to regulate and test certain critical nuts, bolts, and similar fasteners. Yet, eight years later, the National Institute for Standards and Technology (NIST), which is the agency responsible for implementing this law, has not done so. In the years that this law languished, the fastener industry and other regulatory federal agencies have taken steps to meet and surpass the original safety goals of the 1990 law. Unfortunately, this late attempt to impose these new requirements unnecessarily duplicates superior quality efforts already underway in the industry and the regulatory community.

Originally, the law was supposed to cover a specific number of critical fasteners used in such things as public buildings, bridges, and airliners. NIST since has expanded the scope of the original law to cover nearly half of all nuts, bolts, and other fasteners made or used in this country.

For example, an employer in my district supplies fasteners to the automotive industry. They are a certified QS 9000 facility, which means they meet strict quality standards and continually test their product at all stages of the manufacturing process. They meet the standards set by their customers and those set by the National Highway Traffic Safety Administration, which already regulates safety standards for these products. Under this 1990 law, they are additionally required to employ another separate, specially accredited lab to test their products, over and above the steps the company is already taking to ensure the safety and quality of their product.

This employer meets the standards provided for by their customer, the industry, and the industry safety regulator, in addition to maintaining a certified QS 9000 facility and providing for continual in-process testing of their products. Application of this 1990 law does not meet the demands of today's manufacturing processes, and would impose additional and costly requirements that duplicate these efforts and do not increase the public safety. Additionally, there are not enough accredited labs to do this testing. In my district, this means this same employer would have to shut down for six months until an accredited laboratory is available to duplicate the strong quality control efforts already being made by this manufacturer.

The legislation we are considering today requires the Secretary of Commerce to first study this issue and report to Congress on the best way to address the public safety intent of the original legislation in light of changes in manufacturing processes since passage of the original act. Mr. Speaker, H.R. 3824 will provide Congress the opportunity to rationally address the public safety aspect to fasteners in the context of today's modern manufacturing processes without imposing duplicative, unnecessary, or confusing new programs on responsible American manufacturers. I urge my colleagues to support this common-sense legislation.

Mr. BLILEY. Mr. Speaker, I rise in strong support of H.R. 3824, a bill amending the Fastener Quality Act. The Committee on Commerce was named as an additional committee of jurisdiction on this bill and has had a longstanding interest in the issue of fastener quality and the Fastener Quality Act. This interest goes back to the 100th Congress, at which time the Committee undertook an investigation of counterfeit and substandard fasteners. This investigation resulted in the issuance of a unanimously approved Subcommittee report entitled "The Threat from Substandard Fasteners: Is America Losing Its Grip?" which ultimately led to the approval by our respective committees of the Fastener Quality Act of 1990.

H.R. 3824, as reported, would amend the Fastener Quality act in two ways. First, the bill exempts fasteners approved for use in aircraft by the Federal Aviation Administration from the requirements of the Act. Secondly, it delays implementation of the final regulations until the Secretary of Commerce and the Congress have had an opportunity to consider developments in manufacturing and quality assurance techniques since the law was enacted.

While the Commerce Committee was generally pleased with the legislation reported by the Science Committee, we asked for several technical clarifications in the Manager's amendment under consideration today. First, we asked that language be clarified to ensure that all regulations issued pursuant to the Fastener Quality Act be place don hold until the Secretary of Commerce can deliver his report to Congress. Secondly, we asked that the report be delivered to both the Science Committee and the Commerce Committee directly so that we can continue our cooperative role in protecting American consumers from substandard fasteners. I appreciate Chairman SENSENBRENNER's willingness to listen to the concerns of Members of the Commerce Committee.

Due to Chairman SENSENBRENNER's cooperation and the need to ensure enactment of this legislation prior to the July 26 effective date of the current regulations, the Commerce Committee has chosen not to exercise its right to a referral. I have been assured by Chairman SENSENBRENNER of his continued cooperation through this process, and look forward to working with him should this legislation be the subject of a House-Senate conference committee.

Mr. Speaker, I strongly support H.R. 3824, and urge my colleagues support this bill as well.

Mr. PORTER. Mr. Speaker, I rise today in support of H.R. 3824, a bill to amend the Fastener Quality Act of 1990. I am pleased that a proposed rule to implement this Act has been repeatedly delayed over the last few years. The proposed rule's effectiveness remains unproven and it would impose tremendous costs on industry which would, in turn, be passed on to the consumer. In my judgment, compliance with the proposed rule would not only result in a loss of jobs and productivity, but also would seriously interrupt deliveries to numerous industry sectors for which fasteners are an integral part of their product. These major industries, the aerospace, automotive, and heavy industries, should be strengthened, not weakened, by our laws. I am greatly concerned about the financial costs that would be borne by these industries to implement regulations, the effects of which have not been ascertained.

For this reason, I strongly support passage of H.R. 3824 to ensure that the implementation of the Fastener Quality Act rule be delayed by one year. During this time the Commerce Secretary and the National Institute of Standards & Technology would be required to review current law and regulations and recommend changes to make regulations consistent with current industry practices. I believe that a thorough review of current policies will reveal duplicitious regulations. The reports submitted to Congress as a result of H.R. 3824 would take into account technological advances that have occurred since the passage of the Fastener Quality Act in 1990 and precipitate the necessary changes to ensure its effectiveness as intended by Congress. I urge my colleagues to support the passage of this bill.

Mr. BROWN of California. Mr. Speaker, we have no further speakers, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. EWING). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3824, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1530

TELEMARKETING FRAUD PREVENTION ACT OF 1997

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 1847) to improve the criminal law relating to fraud against consumers.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telemarketing Fraud Prevention Act of 1997".

SEC. 2. CRIMINAL FORFEITURE OF FRAUD PROCEEDS.

Section 982 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating the second paragraph designated as paragraph (6) as paragraph (7); and

(B) by adding at the end the following:

"(8) The Court, in sentencing a defendant convicted of an offense under section 1028, 1029, 1341, 1342, 1343, or 1344, or of a conspiracy to commit such an offense, if the offense involves telemarketing (as that term is defined in section 2325), shall order that the defendant forfeit to the United States any real or personal property—

"(A) used or intended to be used to commit, to facilitate, or to promote the commission of such offense; and

"(B) constituting, derived from, or traceable to the gross proceeds that the defendant obtained directly or indirectly as a result of the offense."; and

Maryland (Mrs. MORELLA), chairman of the subcommittee. It has been a pleasure to work with both of these distinguished Members in connection with this bill.

I will confess that I have not been particularly deeply involved in the drafting of this legislation but, of course, I fall back on the fact that 10 years ago I was deeply involved and that qualifies me to say anything I wish today.

Mr. Speaker, I rise in support of H.R. 3824 because I feel that it is the only practical short-term solution to the problem of revisiting the Fastener Quality Act. Our committee record on these revisions of the Fastener Quality Act was developed rapidly and is of necessity fairly narrow in scope. This effort was triggered, of course, by the announcement already referred to by the National Institute of Standards and Technology that the long-delayed regulations to implement the Fastener Quality Act would take effect on July 26, 1998, and the universal agreement that the law should be changed to exempt certain aircraft industry fasteners from the Act's coverage. Therefore, time was of the essence if the Congress was to intervene legislatively in advance of that date.

The committee scheduled just one panel of witnesses which was largely drawn from the aerospace community, and with the exception of one witness from the National Institute of Standards and Technology, did not have the expertise to discuss the impact of the Fastener Quality Act beyond aircraft manufacture.

The committee became aware that the auto industry, and perhaps other manufacturers, also faced potential adverse impacts from the scheduled July implementation of the Fastener Quality Act regulations.

Mr. Speaker, the original Fastener Quality Act was based on extensive investigative, legislative and judicial records of defective fasteners, largely of overseas origin, which had turned up in tanks, submarines, aircraft carriers, planes of all types, bridges, and even nuclear power plants.

Of course, as the gentleman from Minnesota (Mr. GUTKNECHT) mentioned, there was considerable public attention given to the quality of fasteners by such events as the Kansas City bridge failure. I have forgotten exactly what it was that caused that failure, but it at least focused attention on the problem of fasteners.

The Committee on Energy and Commerce conducted an 18-month investigation during the 100th Congress, including five open and two closed hearings. It also involved numerous Federal Agencies and resulted in dozens of criminal prosecutions. civil actions and debarments. The situation cried out for legislative action.

We face a much different situation in 1998 than we did in 1990. Eight years have passed since the Act was put in place without implementing regulations. The problems now seem much less daunting. During the 1990s, some industries had developed their own quality assurance systems which appeared to provide protections to the public comparable to those under the Fastener Quality Act, but at less cost. Even NIST, the agency charged with regulating fasteners, seems to have some second thoughts about the breadth of the Act, but no one had done a careful analysis either of the extent to which the Fastener Quality Act is still necessary and still serves its original purpose.

The committee solution is the best possible under the circumstances. The delay will permit the Secretary of Commerce to study the extent to which the problems being addressed still exist, including the potential for defective fasteners from overseas once again penetrating the U.S. markets. It will also permit the Secretary to get an expert opinion on the degree of compatibility between the Fastener Quality Act and modern business practice and to make suggestions on how to update the Act.

Mr. Chairman, I urge my colleagues to vote in favor of this important legislation.

Mr. SENSENBRENNER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, I am privileged to represent the fastener capital of the United States, Rockford, Illinois. There are more fastener manufacturers per capita in Rockford than any other city in the Nation.

The implementation of the Fastener Quality Act is of key importance to the livelihood of northern Illinois, but its impact reaches far beyond our congressional district. In fact, a disruption in the supply of fasteners to our industry would be the equivalent of a nationwide trucking or rail strike.

With the release of the latest set of regulations by the National Institute of Standards and Technology last April, I surveyed the fastener manufacturers in northern Illinois for their input, listening to people such as the Pearson family who have been manufacturing fasteners for years and have been wrestling with the Fastener Quality Act.

Mr. Speaker, let me review for the benefit of my colleagues the results this survey: 54 percent of the fastener manufacturers still do not know which fasteners are covered by the Fastener Quality Act; 46 percent of the fastener manufacturers are so small they cannot afford to adopt the expensive quality assurance system, even though they have their own system of testing and ensuring quality. Thus, the April regulations permitting larger companies which use QAS to become Fastener Quality Act certified means nothing to these small fastener manufacturing firms; 92 percent, almost every one of the fastener manufacturers in Illinois, still do not know what they have to do to fully comply with the Fastener Quality Act regulations.

Finally, every fastener manufacturer in the Sixteenth Congressional District agreed there will not be enough labs up and running on July 26 to certify products coming off the assembly line as Fastener Quality Act approved.

That is why I am pleased to join my colleagues, the gentleman from Wisconsin (Chairman SENSENBRENNER) and the gentlewoman from Maryland (Mrs. MORELLA), chairwoman of the Subcommittee on Technology, in cosponsoring and strongly supporting H.R. 3824. I recommend and strongly urge my colleagues to vote for it.

Mr. SENSENBRENNER. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. COOK), a member of the Committee on Science.

Mr. COOK. Mr. Speaker, I rise in support of H.R. 3824, the Fastener Quality Act amendments.

Mr. Speaker, as a freshman Congressman one of my overriding desires is to cut government waste, duplication of effort, and bureaucracy, which is exactly what this bill does.

H.R. 3824 ensures that America's manufacturing economy and American consumers are not harmed by outdated or unnecessary regulations. The bill will help business be more competitive with foreign manufacturers while keeping safety standards for consumers that we have come to expect.

The Fastener Quality Act was intended to make structures more safe and it was a good idea. Unfortunately, it set up two government bureaucracies with the same regulation to oversee manufacturing of nuts, bolts, studs and screws.

For example, aviation manufacturers are already subject to the Federal quality assurance programs of the Federal Aviation Administration and, therefore, the fasteners they manufacture already meet or exceed the quality standards of the Fastener Quality Act. Requiring another government agency other than the FAA to certify aviation industry nuts, bolts, studs, and screws would be a waste of taxpayers' dollars. It would create an enormous duplication of effort and would create significantly higher airline ticket prices.

In the motor vehicle industry, the safety of fasteners is assured and monitored by the National Highway Transportation Safety Administration in compliance with the National Traffic and Motor Vehicle Safety Act. Auto manufacturers already have ample incentive and regulation to use the highest quality fasteners possible.

The auto industry has concluded that the annual cost of duplicative regulations would be $317 million, which would be directly passed on to consumers, yet automobiles would be no safer because current Federal regulations and recall authority ensure a high level of safety.

Manufacturers have made tremendous strides in improving the safety of their products, not because of some

(2) in subsection (b)(1)(A), by striking "(a)(1) or (a)(6)" and inserting "(a)(1), (a)(6), or (a)(8)".

SEC. 3. PENALTY FOR TELEMARKETING FRAUD.

Section 2326 of title 18, United States Code, is amended by striking "may" each place it appears and inserting "shall".

SEC. 4. ADDITION OF CONSPIRACY OFFENSES TO SECTION 2326 ENHANCEMENT.

Section 2326 of title 18, United States Code, is amended by inserting ", or a conspiracy to commit such an offense," after "or 1344".

SEC. 5. CLARIFICATION OF MANDATORY RESTITUTION.

Section 2327 of title 18, United States Code, is amended—

(1) in subsection (a), by striking "for any offense under this chapter" and inserting "to all victims of any offense for which an enhanced penalty is provided under section 2326"; and

(2) by striking subsection (c) and inserting the following:

"(c) VICTIM DEFINED.—In this section, the term 'victim' has the meaning given that term in section 3663A(a)(2).".

SEC. 6. AMENDMENT OF FEDERAL SENTENCING GUIDELINES.

(a) DEFINITION OF TELEMARKETING.—In this section, the term "telemarketing" has the meaning given that term in section 2326 of title 18, United States Code.

(b) DIRECTIVE TO SENTENCING COMMISSION.—Pursuant to its authority under section 994(p) of title 28, United States Code, and in accordance with this section, the United States Sentencing Commission shall—

(1) promulgate Federal sentencing guidelines or amend existing sentencing guidelines (and policy statements, if appropriate) to provide for substantially increased penalties for persons convicted of offenses described in section 2326 of title 18, United States Code, as amended by this Act, in connection with the conduct of telemarketing;

(2) submit to Congress an explanation of each action taken under paragraph (1) and any additional policy recommendations for combating the offenses described in that paragraph.

(c) REQUIREMENTS.—In carrying out this section, the Commission shall—

(1) ensure that the guidelines and policy statements promulgated or amended pursuant to subsection (b)(1) and any recommendations submitted thereunder reflect the serious nature of the offenses;

(2) provide an additional appropriate sentencing enhancement if offense involved sophisticated means, including but not limited to sophisticated concealment efforts, such as perpetrating the offense from outside the United States;

(3) provide an additional appropriate sentencing enhancement for cases in which a large number of vulnerable victims, including but not limited to victims described in section 2326(2) of title 18, United States Code, are affected by a fraudulent scheme or schemes;

(4) ensure that guidelines and policy statements promulgated or amended pursuant to subsection (b)(1) are reasonably consistent with other relevant statutory directives to the Commission and with other guidelines;

(5) account for any aggravating or mitigating circumstances that might justify upward or downward departures;

(6) ensure that the guidelines adequately meet the purposes of sentencing as set forth in section 3553(a)(2) of title 18, United States Code; and

(7) take any other action the Commission considers necessary to carry out this section.

(d) EMERGENCY AUTHORITY.—The Commission shall promulgate the guidelines or amendments provided for under this subsection as soon as practicable, and in any event not later than 120 days after the date of enactment of the Telemarketing Fraud Prevention Act of 1997, in accordance with the procedures set forth in section 21(a) of the Sentencing Reform Act of 1987, as though the authority under that authority had not expired, except that the Commission shall submit to Congress the emergency guidelines or amendments promulgated under this section, and shall set an effective date for those guidelines or amendments not earlier than 30 days after their submission to Congress.

SEC. 7. FALSE ADVERTISING OR MISUSE OF NAME TO INDICATE UNITED STATES MARSHALS SERVICE.

Section 709 of title 18, United States Code, is amended by inserting after the thirteenth undesignated paragraph the following:

"Whoever, except with the written permission of the Director of the United States Marshals Service, knowingly uses the words 'United States Marshals Service', 'U.S. Marshals Service', 'United States Marshal', 'U.S. Marshal', 'U.S.M.S.', or any colorable imitation of any such words, or the likeness of a United States Marshals Service badge, logo, or insignia on any item of apparel, in connection with any advertisement, circular, book, pamphlet, software, or other publication, or any play, motion picture, broadcast, telecast, or other production, in a manner that is reasonably calculated to convey the impression that the wearer of the item of apparel is acting pursuant to the legal authority of the United States Marshals Service, or to convey the impression that such advertisement, circular, book, pamphlet, software, or other publication, or such play, motion picture, broadcast, telecast, or other production, is approved, endorsed, or authorized by the United States Marshals Service;".

SEC. 8. DISCLOSURE OF CERTAIN RECORDS FOR INVESTIGATIONS OF TELEMARKETING FRAUD.

Section 2703(c)(1)(B) of title 18, United States Code, is amended—

(1) by striking out "or" at the end of clause (ii);

(2) by striking out the period at the end of clause (iii) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(iv) submits a formal written request relevant to a law enforcement investigation concerning telemarketing fraud for the name, address, and place of business of a subscriber or customer of such provider, which subscriber or customer is engaged in telemarketing (as such term is in section 2325 of this title).".

The SPEAKER pro tempore (Mr. EWING). Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Massachusetts (Mr. DELAHUNT) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to urge my colleagues to support the final passage of H.R. 1847, the Telemarketing Fraud Prevention Act. This important legislation, which I introduced in January of last year, will take the strong action that is needed to step up the fight against a common enemy, the fraudulent telemarketer.

Telemarketing fraud has become a critical problem across the country, but especially in my home State of Virginia where it has made victims of countless unsuspecting folks and their families.

The tragedy of telemarketing fraud is that its perpetrators often target elderly victims who have contributed so much to society. Who are these victims? They are our veterans of World War II and Korea. They are our retired schoolteachers. They are our parents and grandparents.

Many of the victims, long-time residents of areas like the Shenandoah Valley in my district, come from a time when one's word was his or her bond, and they are often deceived by a con artist who will say whatever it takes to separate victims from their money.

It has been estimated by the FBI that nearly 80 percent of all targeted telemarketing fraud victims are elderly. Who are these people who victimize our Nation's elderly? They are white collar thugs who contribute nothing to our society but grief.

They choose to satisfy their greed by bilking others instead of doing an honest day's work. They strip victims not only of their hard-earned money, but also of their dignity. They are swindlers who con our senior citizens out of their life savings by playing on their trust, sympathy, and if that does not work, by playing on their fear.

These criminals have said that they do not fear prosecution because they count on their victims' physical or mental infirmity or the embarrassment that victims feel from being scammed that prevent them from testifying at trial.

If they are brought to trial, they are currently not deterred in engaging from telemarketing fraud because the penalties are so weak. In one example of how large a problem telemarketing fraud has become, more than 400 individuals were arrested in 1996 as a part of Operation Senior Sentinel. Retired law enforcement officers and volunteers recruited by the American Association of Retired Persons went under cover to record sales pitches from fraudulent telemarketers.

Volunteers from the 2-year-long operation discovered various telemarketing schemes. Some people were victimized by phony charities or investment schemes. Others were taken in by so-called premium promotions in which people were guaranteed one of four or five valuable prizes, but were induced to buy an overpriced product in exchange for a cheap prize. One of the most vicious scams preyed on those who have lost their money already, some telemarketers charge a substantial fee to recover money for those who had been victimized previously, and proceeded to renege on the promised assistance.

By the time the operation was over, it took the Department of Justice, the FBI, the Federal Trade Commission, a dozen U.S. Attorneys and States attorneys general, the Postal Service, the IRS, and the Secret Service to arrest over 400 fraudulent telemarketers in five States.

Clearly, telemarketing fraud is on the rise. According to Attorney General Reno, it is not uncommon for seniors to receive as many as five or more high-pressure phone calls a day.

Mr. Speaker, malicious criminal activity like this must be punished with the appropriate level of severity. H.R. 1847 will take a number of steps to raise the element of risk for fraudulent telemarketers by directing the U.S. Sentencing Commission to provide for substantially increased penalties for those convicted of telemarketing fraud offenses.

It also requires the Commission to provide an additional appropriate sentencing enhancement for cases in which a large number of vulnerable victims are affected by a fraudulent scheme or schemes. This provision will help to protect those most vulnerable in our society, including seniors and the disabled, from these malicious crimes.

Let me repeat that language from the bill, Mr. Speaker: substantially increased penalties. This language is different from the House-passed version of the bill, which included specific sentencing increases for four levels for general telemarketing fraud and eight levels for telemarketers who defraud the most vulnerable in our society.

Nevertheless, the language in the Senate-passed version was carefully chosen. A minimum increase of two levels is not substantial. The Sentencing Commission recently issued an amendment that would increase by two offense levels, the smallest increase possible, the penalties for fraud offenses that use mass marketing to carry out fraud. While their amendment was a step in the right direction, the step is much too small.

Telemarketing fraud is a serious problem that is growing even as we speak. The Sentencing Guidelines should reflect this; but even with this recent action, they do not. From the House- and Senate-passed bills, it should have been clear to the Sentencing Commission last year the kind of significant increases Congress wanted. Unfortunately, it appears that our intention was not clear.

Therefore, let me make it clear right now, along with my colleague, the gentleman from Florida, and along with the good Senator from Arizona who sponsored this legislation in the Senate, that in the next year we expect the Sentencing Commission to make the kind of substantial penalty increases that are needed to adequately address the growing crime of telemarketing fraud.

In addition to this provision, the bill would also require the Commission to provide an additional appropriate sentencing enhancement if the offense involved sophisticated means, including, but not limited to, sophisticated and concealment efforts, such as perpetrating the offense from outside the United States.

This provision will target those who set up their telemarketing fraud operations in other countries, particularly Canada, in order to evade prosecution. Of the top 11 fraudulent telemarketing company locations in 1996, four were Canadian provinces.

The bill also addresses the problem of victims who are unable to recoup any of their losses after the criminal is caught and convicted. It includes provisions to requiring criminal asset forfeiture to ensure that the fruits of telemarketing fraud crimes will not be used to commit further crimes. It also includes mandatory victim restitution language to ensure that victims are the first to receive restitution for their losses.

The bill includes conspiracy language to the list of enhanced telemarketing fraud penalties. This provision will enable prosecutors to seek our masterminds behind the boiler rooms, the places where the fraudulent telemarketers conduct their illegal activities.

Finally, the bill includes a Senate-passed provision that will help law enforcement effectively combat the problem of telemarketing fraud operations that set up boiler rooms for a few months and then simply disappear.

The provision would protect telemarketing fraud victims by providing law enforcement with the authority to more quickly obtain the name, address, and physical location of businesses suspected of telemarketing fraud. This would only be allowed if the official submitted a written request for this information relevant to a legitimate law enforcement investigation.

Mr. Speaker, the Telemarketing Fraud Prevention Act will serve as a vital tool in the Federal arsenal of weapons available to law enforcement officials in the fight against this crime. I urge my colleagues to support the passage of this important legislation.

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

Mr. DELAHUNT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend my colleague, the gentleman from Virginia (Mr. GOODLATTE), for introducing this measure, and I am pleased to join with him in supporting it.

As the gentleman has noted, this is actually the second time the House has considered this legislation. We passed it by voice vote last July. Since then, the other body has taken up the bill, amended it, and passed it in the form in which it appears before us today. If we approve this amended bill, it will go straight to the President for his signature.

The purpose of this legislation, as articulated again by the gentleman from Virginia (Mr. GOODLATTE), is to crack down on telemarketing fraud, one of the fastest growing white collar crimes in America.

I would ask that we just pause and reflect for one moment on a single statistic that I suggest is most disturbing, and that is $40 billion. The Federal Bureau of Investigation has estimated that the amount of fraud that can be allocated to this single white collar economic crime exceeds $40 billion annually and is growing.

I dare say that if we added all of the crimes committed by violence in this country ranging from shoplifting to armed robbery, in the aggregate, it would pale in comparison in terms of economic loss to that statistic of $40 billion a year.

Even those of us who have not been victims of fraud have plenty of experience with telemarketing. What family in America has not sat down for an evening meal only to have the telephone ring and at the other end is a telemarketer selling us something. I am sure many Members like I receive a constant flow of letters complaining about being plagued by telemarketing.

Furthermore, as a woman from Martha's Vineyard in my district laments, every third call is someone trying to sell something unsolicited. For most of us, this is merely a nuisance. We may not want to hear the sales pitch, but at least we usually know when to hang up. But when the caller is a sophisticated scam artist, things are rarely so clear.

We have all heard from constituents who were tricked into contributing to nonexisting charities or conned into throwing away their hard-earned money on phony real estate scams.

One recent Federal investigation uncovered a telemarketing scheme that bilked some 100,000 Americans out of $35 million. The victims were mostly older Americans who, as my friend and colleague, the gentleman from Virginia (Mr. GOODLATTE), indicated, are the favorite targets of these criminals.

I would suggest, too, we hear much, and much of it is true, about the effort in Congress to federalize what is particularly State crimes. We hear the Chief Justice of the Supreme Court criticizing this body for the federalization of what have traditionally been State crimes. I agree with the Chief Justice. However, in this particular instance, there is a special place and a special role for the Federal Government.

I think that the gentleman from Virginia hit it on the mark when he talked about, in Canada, there is a source of telemarketing fraud that is going on. These crimes particularly are pernicious in the sense that no single jurisdiction can deal with them effectively because these scholars, if you will, in economic crime know that it is beyond the resources that exist currently at the State and local level to deal with this issue, and they can set up their operation in multiple jurisdictions and deal at the national level. This is where the Federal Government ought to allocate its resources. I am pleased that they are doing this.

As the gentleman said, seniors are especially vulnerable to telemarketing fraud because many of them are lonely, homebound, or infirm. For them, that unwanted telephone call can mean the loss of everything they have managed to save over a lifetime.

I am particularly pleased with the penalty enhancements in terms of those victims that are senior citizens. Furthermore, the fact that H.R. 1847

would permit Federal prosecutors to seek forfeiture of the proceeds of telemarketing fraud and of property used by the criminals to carry out the fraud, I think is a particularly important provision.

In these kinds of crime, forfeiture is an important tool that enables prosecutors to shut down a criminal enterprise. I am confident that, in this particular case, it absolutely has a deterrent effect. These people know what they are doing. The profit motive is so significant that they are willing to take the chance, because, historically, white collar crime and economic crime in this country have not received the kind of incarceration and sanctions that it so rightly deserves.

I and others have been working with the gentleman from Illinois (Mr. HYDE) to seek reform of some of the procedures used in Federal forfeiture cases, but I do not think there is any question, as I indicated, that forfeiture should be available in telemarketing fraud.

Again, as my friend, the gentleman from Virginia, pointed out, H.R. 1847 will also increase the penalties for telemarketing fraud by utilizing the Sentencing Commission. In this respect, I submit the Senate has substantially improved the bill. Our original version would have increased the penalties by specific amounts set forth in the legislation.

When the House considered the bill last July, I expressed reservations about that particular provision because I do not believe that Congress should usurp the role we assigned to the U.S. Sentencing Commission in prescribing appropriate sentencing ranges.

The bill before us today directs the Sentencing Commission to amend the Sentencing Guidelines to provide for substantially increased penalties for persons convicted of telemarketing fraud. I believe this is a major improvement in the bill, and I strongly support this change. I anticipate that the Sentencing Commission will listen clearly to the message intended to be sent by this body.

□ 1545

In sum, Mr. Speaker, criminals who prey on the vulnerabilities of others should be held to account. This legislation does just that. I commend the gentleman from Virginia (Mr. GOODLATTE) for his leadership on the issue and urge my colleagues to support this bill.

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

Mr. GOODLATTE. Mr. Speaker, I yield myself 30 seconds, and I do so to thank the gentleman from Massachusetts for his strong support for this legislation. He speaks from authority when he talks about this as a former prosecutor, and I very much respect his remarks and welcome them and welcome his support for this legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SAXTON).

Mr. SAXTON. Mr. Speaker, I just rise briefly to commend both the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Massachusetts (Mr. DELAHUNT) for the great job that they have done in bringing this bill to the floor, apparently without opposition, and that is great work.

We have all heard stories from time to time of telemarketing scams that too often target, as both the gentleman from Virginia and the gentleman from Massachusetts have pointed out, our Nation's older citizens. However, yesterday, I met with a group of seniors in my district from Toms River, New Jersey, and one of my constituents brought this very issue to my attention and shared his own fears of being swindled.

Seniors are apprehensive of these predators, and with good reason. It is a horrible day when greed motivates someone to strip the hard-earned earnings and livelihood an older adult has accumulated over a lifetime. These corrupt schemes will come to an end, or at least will begin to come to an end under this bill.

I fully support the provisions of the Telemarketing Fraud Prevention Act of 1997, which protects seniors and punishes ruthless criminals.

Under this bill, the U.S. Sentencing Commission must increase its punishment level guidelines by eight levels for persons convicted of telemarketing crimes against anyone 55 years of age.

There is no excuse for behavior that victimizes those who rely on their savings to survive. These con artists must be punished for such horrendous crimes. I sincerely hope that one day soon our Nation's seniors will no longer be preyed upon by these criminals.

Mr. DELAHUNT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1847, the bill under discussion.

The SPEAKER pro tempore (Mr. EWING). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. VENTO. Mr. Speaker, I rise in support of the Telemarketing Fraud Prevention Act. This legislation represents a positive step in combating the growing problem of consumer and telemarketing fraud. Unfortunately, illegal telemarketing often targets the elderly and the disabled, many of whom lose their life's savings to such scams.

Today telemarketing fraud is in focus. While conditions for older Americans have improved markedly since passage of the Older Americans Act of 1965, many still suffer in abusive situations ranging from financial exploitation to severe consumer and telemarketing fraud. Many seniors are faced with physical or mental disabilities, social isolation and limited financial resources which prevent them from being able to protect or advocate for themselves.

According to the Federal Trade Commission (FTC), telemarketing fraud has mushroomed into a multi-billion dollar problem in the United States. Every year, thousands of consumers lose anywhere from a few dollars to their life savings to telephone con artists. The Telemarketing Fraud Prevention Act will protect consumers from losing their hard earned income to telemarketing scams.

Specifically, HR 1847 increases the penalties against fraudulent telemarketing by increasing the recommended prison sentences for people convicted of consumer scams and deception. This legislation further increases the penalties incurred for telemarketing and consumer cams specifically targeted at older Americans.

In addition to increasing the consequences of fraudulent telemarketing, the Telemarketing Fraud Prevention Act provides the necessary tools and resources to prevent and uncover illegal schemes that are targeted at older Americans. Telephone companies would be required to provide the name, address and physical location of businesses suspected of conducting telemarketing scams. Since scam artists are relentless in their pursuit of older Americans, this measure would allow Law Enforcement Officials to move more quickly in preventing such schemes and scams from occurring.

Along with the FTC, several sources confirm that telemarketing fraud against older Americans is growing substantially. A 1996 American Association of Retired Persons (AARP) survey of people 50 years or older revealed that 57% were likely to receive calls from telemarketers at least once a week. Moreover, more than half the respondents indicated that they could not distinguish a legitimate telemarketer from a fraudulent one. It is not surprising that a fraud perpetrator would solicit an older American to attain a significant amount of money—often with a single phone call. Many senior citizens have worked diligently throughout their lives to build savings and retirement income.

Congress is moving in the right direction by addressing the growing problems of consumer and telemarketing fraud. We need to provide adequate tools for our Law Enforcement Officers to combat and respond to telemarketing fraud, to punish those who perpetrate it, and to deter others from entering the arena. The Telemarketing Fraud Prevention Act is an important step in protecting our senior citizens from deception tactics and fraudulent activities.

Mr. MCCOLLUM. Mr. Speaker, in the 104th Congress, the House of Representatives passed by voice vote an identical version of H.R. 1847, the "Telemarketing Fraud Prevention Act." The Senate failed to act on that legislation before final adjournment, and Mr. GOODLATTE, a dedicated Member of the Judiciary Committee, picked up the flag and decided to advance this important issue in the 105th Congress.

Once again, due to amendments made by the Senate, the House must pass H.R. 1847, a bill which will finally give some measure of protection to this Nation's elderly who are bilked by crooked telemarketers. As the Subcommittee on Crime heard last Congress, some retirees have lost their entire savings to mail and phone scams. The Federal Trade

Commission estimates that telemarketing fraud costs consumers about $40 billion a year.

Mr. Speaker, in the hands of a fraudulent telemarketer, a phone is a dangerous weapon. They will use every trick possible to get their victims to send money. Examples of such deceptions include offering phony investment schemes, claiming to work for charitable organizations, or promising grand trips and prizes. These telephone thieves are relentless in their pursuit of someone else's hard-earned paycheck.

Although I am somewhat disappointed that the Senate chose to strike the specific level enhancements which the House passed, I am satisfied that this legislation will aid prosecutors in their efforts to track and prosecute crooked telemarketers.

Moreover, I hope that the passage of this legislation sends a loud, clear message to the U.S. Sentencing Commission: review the guidelines carefully because the current average sentence for a telemarketer is too low! These tele-predators must do time for their crimes. Telemarketing fraud may be nonviolent, but it devastates families, destroys self-esteem and costs billions overall. If the Sentencing Commission does not make some sweeping changes to the fraud provisions as a result of this legislation, Congress will revisit this issue next year.

Again, I thank my good friend from Virginia, Mr. GOODLATTE, for not allowing this issue to go unnoticed. Telemarketing fraud conceivably affects every person who owns a telephone. I was proud to support this legislation in the 104th Congress, and I was proud to support H.R. 1847 earlier this Congress, and I am extremely proud that finally we have a bi-partisan piece of legislation ready for the President's signature.

Mr. ABERCROMBIE. Mr. Speaker, today I rise in strong support of H.R. 1847, the Telemarketing Fraud Prevention Act.

H.R. 1847 increases criminal penalties for telemarketing fraud, especially telemarketing fraud targeting senior citizens. Older Americans are the targets of many fraudulent telemarketers because they are generally home more often, may be more trusting, and they may be led to look on a smooth-talking telemarketer as a friend rather than someone preying on their life savings.

The measure is a positive step forward to protecting consumers and our seniors, but we need to do more. Besides increasing penalties on fraudulent telemarketers, we need to help educate consumers of the dangers of fraudulent telemarketing. I sponsored several mail and telemarketing fraud briefings for senior citizens in my district, Honolulu, Hawaii. These educational briefings were designed to give vulnerable senior citizens a fighting chance against an industry designed to victimize them. I encourage my colleagues to work with organizations such as the AARP and educate senior citizens in their districts.

H.R. 1847 also allows law enforcement officials to prosecute individuals for conspiracy to commit telemarketing fraud. This provision allows police and prosecutors to seek out and punish organizers of telemarketing scams, who often arrange the schemes but don't actually commit the fraud themselves.

Telemarketing fraud robs Americans of an estimated $40 billion per year. The actual amount may be higher, because some consumers are too embarrassed to report that they have been defrauded or consumers fail to recognize that they have been victimized.

I urge my colleagues to support H.R. 1847 and continue to work to eliminate telemarketing and mail fraud.

Mr. GOODLATTE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time and urge a favorable vote.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and concur in the Senate amendment to H.R. 1847.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

ADVISORY COUNCIL ON CALIFORNIA INDIAN POLICY EXTENSION ACT OF 1997

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3069) to extend the Advisory Council on California Indian Policy to allow the Advisory Council to advise Congress on the implementation of the proposals and recommendations of the Advisory Council.

The Clerk read as follows:

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 "Advisory Council on California Indian Policy Extension Act of 1997".

SEC. 2. FINDING AND PURPOSE.

(a) FINDING.—Congress finds that the Advisory Council on California Indian Policy, pursuant to the Advisory Council on California Indian Policy Act of 1992 (Public Law 102–416; 25 U.S.C. 651 note), submitted its proposals and recommendations regarding remedial measures to address the special status of California's terminated and unacknowledged Indian tribes and the needs of California Indians relating to economic self-sufficiency, health, and education.

(b) PURPOSE.—The purpose of this Act is to allow the Advisory Council on California Indian Policy to advise Congress on the implementation of such proposals and recommendations.

SEC. 3. DUTIES OF ADVISORY COUNCIL REGARDING IMPLEMENTATION OF PROPOSALS AND RECOMMENDATIONS.

(a) IN GENERAL.—Section 5 of the Advisory Council on California Indian Policy Act of 1992 (106 Stat. 2133) is amended by striking "and" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting "; and", and by adding at the end the following new paragraph:

"(8) work with Congress, the Secretary, the Secretary of Health and Human Services, and the California Indian tribes, to implement the Council's proposals and recommendations contained in the report submitted made under paragraph (6), including—

"(A) consulting with Federal departments and agencies to identify those recommendations that can be implemented immediately, or in the very near future, and those which will require long-term changes in law, regulations, or policy;

"(B) working with Federal departments and agencies to expedite to the greatest extent possible the implementation of the Council's recommendations;

"(C) presenting draft legislation to Congress for implementation of the recommendations requiring legislative changes;

"(D) initiating discussions with the State of California and its agencies to identify specific areas where State actions or tribal-State cooperation can complement actions by the Federal Government to implement specific recommendations;

"(E) providing timely information to and consulting with California Indian tribes on discussions between the Council and Federal and State agencies regarding implementation of the recommendations; and

"(F) providing annual progress reports to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives on the status of the implementation of the recommendations."

(b) TERMINATION.—The first sentence of section 8 of the Advisory Council on California Indian Policy Act of 1992 (106 Stat. 2136) is amended to read as follows: "The Council shall cease to exist on March 31, 2000."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, this is a relatively simple bill. It is the proposed Advisory Council on California Indian Policy Extension Act of 1997, to extend the life of the Advisory Council on California Indian Policy, ACCIP, until March 31 of the year 2000.

The ACCIP has issued 8 reports on various topics as well as an overview of California Indian history.

Some of these recommendations by the ACCIP are controversial and will not be implemented by the Congress. Other recommendations are too expensive.

However, some of the recommendations included in the 8 reports issued make good sense and should be given full consideration by the Administration and the Congress.

H.R. 3069 would add additional new duties to those provided for by Congress when the ACCIP was created in 1992. These new duties include: Working with Congress to implement its proposals; consulting with Federal departments to implement its recommendations; and presenting draft legislation to Congress.

H.R. 3069 is very important to the many Indian tribes of California. While I do not agree with each and every recommendation made by ACCIP, I think we should move forward in