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Calendar No. 148

110TH CONGRESS
1ST SESSION

S. 119

[Report No. 110–66]

To prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 2007

Mr. LEAHY (for himself, Mr. BINGAMAN, Mr. HARKIN, Mr. KERRY, Mr. LAUTENBERG, Mr. ROCKEFELLER, Mr. DORGAN, Mr. SCHUMER, Mr. WYDEN, Ms. CANTWELL, Mrs. CLINTON, Mr. MENENDEZ, Mr. NELSON of Florida, Mr. DURBIN, Mrs. FEINSTEIN, Ms. LANDRIEU, Mr. FEINGOLD, Ms. MIKULSKI, Mrs. BOXER, Mr. CARDIN, and Mr. BYRD) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

MAY 15, 2007

Reported by Mr. LEAHY, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To prohibit profiteering and fraud relating to military action, relief, and reconstruction efforts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives 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:

"§ 1039. War profiteering and fraud relating to military action, relief, and reconstruction efforts

''(a) PROHIBITION.—

''(1) IN GENERAL.—Whoever, in any matter involving a contract or the provision of goods or services, directly or indirectly, in connection with a war, military action, or relief or reconstruction activities within the jurisdiction of the United States Government, knowingly and willfully—

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

''(ii) materially overvalues any good or service with the specific intent to defraud ~~and excessively profit from the war, military action, or relief or reconstruction activities;~~ *;*

shall be fined under paragraph (2), imprisoned not more than 20 years, or both; or

"(B)(i) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;

"(ii) makes any materially false, fictitious, or fraudulent statements or representations; or

"(iii) 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 under paragraph (2) imprisoned not more than 10 years, or both.

"(2) FINE.—A person convicted of an offense under paragraph (1) may be fined the greater of—

"(A) $1,000,000; or

"(B) if such person derives profits or other proceeds from the offense, not more than twice the gross profits or other proceeds.

"(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:

"1039. War profiteering and fraud relating to military action, relief, and reconstruction efforts.".

(b) CIVIL FORFEITURE.—Section 981(a)(1)(C) of title 18, United States Code, is amended by inserting "1039," after "1032,".

(c) CRIMINAL FORFEITURE.—Section 982(a)(2)(B) of title 18, United States Code, is amended by striking "or 1030" and inserting "1030, or 1039".

~~(d) RICO.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting the following: ", section 1039 (relating to war profiteering and fraud relating to military action, relief, and reconstruction efforts)" after "liquidating agent of financial institution),".~~

(d) MONEY LAUNDERING.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting after "liquidating agent of financial institution)," the following: "section 1039 (relating to war profiteering and fraud relating to military action, relief, and reconstruction efforts),".

(e) RICO.—Section 1961(1) of title 18, United States Code, is amended by inserting after "in connection with access devices)," the following: "section 1039 (relating to war profiteering and fraud relating to military action, relief, and reconstruction efforts),".

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