

109TH CONGRESS
1ST SESSION

S. 1608

To enhance Federal Trade Commission enforcement against illegal spam, spyware, and cross-border fraud and deception, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 29, 2005

Mr. SMITH (for himself, Mr. MCCAIN, Mr. INOUE, and Mr. NELSON of Florida) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To enhance Federal Trade Commission enforcement against illegal spam, spyware, and cross-border fraud and deception, 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,*

3 **SECTION 1. SHORT TITLE; FINDINGS; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Undertaking Spam, Spyware, And Fraud Enforcement
6 With Enforcers beyond Borders Act of 2005” or the “U.S.
7 SAFE WEB Act of 2005”.

8 (b) FINDINGS.—The Congress finds the following:

1 (1) The Federal Trade Commission protects
2 consumers from fraud and deception. Cross-border
3 fraud and deception are growing international prob-
4 lems that affect American consumers and busi-
5 nesses.

6 (2) The development of the Internet and im-
7 provements in telecommunications technologies have
8 brought significant benefits to consumers. At the
9 same time, they have also provided unprecedented
10 opportunities for those engaged in fraud and decep-
11 tion to establish operations in one country and vic-
12 timize a large number of consumers in other coun-
13 tries.

14 (3) An increasing number of consumer com-
15 plaints collected in the Consumer Sentinel database
16 maintained by the Commission, and an increasing
17 number of cases brought by the Commission, involve
18 foreign consumers, foreign businesses or individuals,
19 or assets or evidence located outside the United
20 States.

21 (4) The Commission has legal authority to rem-
22 edy law violations involving domestic and foreign
23 wrongdoers, pursuant to the Federal Trade Commis-
24 sion Act. The Commission's ability to obtain effec-
25 tive relief using this authority, however, may face

1 practical impediments when wrongdoers, victims,
2 other witnesses, documents, money and third parties
3 involved in the transaction are widely dispersed in
4 many different jurisdictions. Such circumstances
5 make it difficult for the Commission to gather all
6 the information necessary to detect injurious prac-
7 tices, to recover offshore assets for consumer re-
8 dress, and to reach conduct occurring outside the
9 United States that affects United States consumers.

10 (5) Improving the ability of the Commission
11 and its foreign counterparts to share information
12 about cross-border fraud and deception, to conduct
13 joint and parallel investigations, and to assist each
14 other is critical to achieve more timely and effective
15 enforcement in cross-border cases.

16 (c) PURPOSE.—The purpose of this Act is to enhance
17 the ability of the Federal Trade Commission to protect
18 consumers from illegal spam, spyware, and cross-border
19 fraud and deception and other consumer protection law
20 violations.

21 **SEC. 2. FOREIGN LAW ENFORCEMENT AGENCY DEFINED.**

22 Section 4 of the Federal Trade Commission Act (15
23 U.S.C. 44) is amended by adding at the end the following:

24 “‘Foreign law enforcement agency’ means—

1 “(1) any agency or judicial authority of a for-
 2 eign government, including a foreign state, a polit-
 3 ical subdivision of a foreign state, or a multinational
 4 organization constituted by and comprised of foreign
 5 states, that is vested with law enforcement or inves-
 6 tigative authority in civil, criminal, or administrative
 7 matters; and

8 “(2) any multinational organization, to the ex-
 9 tent that it is acting on behalf of an entity described
 10 in paragraph (1).”.

11 **SEC. 3. AVAILABILITY OF REMEDIES.**

12 Section 5(a) of the Federal Trade Commission Act
 13 (15 U.S.C. 45(a)) is amended by adding at the end the
 14 following:

15 “(4)(A) For purposes of subsection (a), the
 16 term ‘unfair or deceptive acts or practices’ includes
 17 such acts or practices involving foreign commerce
 18 that—

19 “(i) cause or are likely to cause reasonably
 20 foreseeable injury within the United States; or

21 “(ii) involve material conduct occurring
 22 within the United States.

23 “(B) All remedies available to the Commission
 24 with respect to unfair and deceptive acts or practices
 25 shall be available for acts and practices described in

1 this paragraph, including restitution to domestic or
2 foreign victims.”.

3 **SEC. 4. POWERS OF THE COMMISSION.**

4 (a) PUBLICATION OF INFORMATION; REPORTS.—Sec-
5 tion 6(f) of the Federal Trade Commission Act (15 U.S.C.
6 46(f)) is amended—

7 (1) by inserting “(1)” after “such information”
8 the first place it appears; and

9 (2) by striking “purposes.” and inserting “pur-
10 poses, and (2) to any officer or employee of any for-
11 eign law enforcement agency under the same cir-
12 cumstances that making material available to foreign
13 law enforcement agencies is permitted under section
14 21(b).”.

15 (b) OTHER POWERS OF THE COMMISSION.—Section
16 6 of the Federal Trade Commission Act (15 U.S.C. 46)
17 is further amended by inserting after subsection (i) and
18 before the proviso the following:

19 “(j) INVESTIGATIVE ASSISTANCE FOR FOREIGN LAW
20 ENFORCEMENT AGENCIES.—

21 “(1) IN GENERAL.—Upon a written request
22 from a foreign law enforcement agency to provide
23 assistance in accordance with this subsection, if the
24 requesting agency states that it is investigating, or
25 engaging in enforcement proceedings against, pos-

1 sible violations of laws prohibiting fraudulent or de-
2 ceptive commercial practices, or other practices sub-
3 stantially similar to practices prohibited by any pro-
4 vision of the laws administered by the Commission,
5 other than Federal antitrust laws (as defined in sec-
6 tion 12(5) of the International Antitrust Enforce-
7 ment Assistance Act of 1994 (15 U.S.C. 6211(5))),
8 to provide the assistance described in paragraph (2)
9 without requiring that the conduct identified in the
10 request constitute a violation of the laws of the
11 United States.

12 “(2) TYPE OF ASSISTANCE.—In providing as-
13 sistance to a foreign law enforcement agency under
14 this subsection, the Commission may—

15 “(A) conduct such investigation as the
16 Commission deems necessary to collect informa-
17 tion and evidence pertinent to the request for
18 assistance, using all investigative powers au-
19 thorized by this Act; and

20 “(B) when the request is from an agency
21 acting to investigate or pursue the enforcement
22 of civil laws, or when the Attorney General re-
23 fers a request to the Commission from an agen-
24 cy acting to investigate or pursue the enforce-
25 ment of criminal laws, seek and accept appoint-

1 ment by a United States district court of Com-
2 mission attorneys to provide assistance to for-
3 eign and international tribunals and to litigants
4 before such tribunals on behalf of a foreign law
5 enforcement agency pursuant to section 1782 of
6 title 28, United States Code.

7 “(3) CRITERIA FOR DETERMINATION.—In de-
8 ciding whether to provide such assistance, the Com-
9 mission shall consider all relevant factors, includ-
10 ing—

11 “(A) whether the requesting agency has
12 agreed to provide or will provide reciprocal as-
13 sistance to the Commission;

14 “(B) whether compliance with the request
15 would prejudice the public interest of the
16 United States; and

17 “(C) whether the requesting agency’s in-
18 vestigation or enforcement proceeding concerns
19 acts or practices that cause or are likely to
20 cause injury to a significant number of persons.

21 “(4) INTERNATIONAL AGREEMENTS.—If a for-
22 eign law enforcement agency has set forth a legal
23 basis for requiring execution of an international
24 agreement as a condition for reciprocal assistance,
25 or as a condition for provision of materials or infor-

1 mation to the Commission, the Commission, with
2 prior approval and ongoing oversight of the Sec-
3 retary of State, and with final approval of the agree-
4 ment by the Secretary of State, may negotiate and
5 conclude an international agreement, in the name of
6 either the United States or the Commission, for the
7 purpose of obtaining such assistance, materials, or
8 information. The Commission may undertake in
9 such an international agreement to—

10 “(A) provide assistance using the powers
11 set forth in this subsection;

12 “(B) disclose materials and information in
13 accordance with subsection (f) and section
14 21(b); and

15 “(C) engage in further cooperation, and
16 protect materials and information received from
17 disclosure, as authorized by this Act.

18 “(5) ADDITIONAL AUTHORITY.—The authority
19 provided by this subsection is in addition to, and not
20 in lieu of, any other authority vested in the Commis-
21 sion or any other officer of the United States.

22 “(6) LIMITATION.—The authority granted by
23 this subsection shall not authorize the Commission
24 to take any action or exercise any power with re-
25 spect to a bank, a savings and loan institution de-

scribed in section 18(f)(3) (15 U.S.C. 57a(f)(3)), a
 Federal credit union described in section 18(f)(4)
 (15 U.S.C. 57a(f)(4)), or a common carrier subject
 to the Act to regulate commerce, except in accord-
 ance with the undesignated proviso following the last
 designated subsection of section 6 (15 U.S.C. 46).

“(7) ASSISTANCE TO CERTAIN COUNTRIES.—

The Commission may not provide investigative as-
 sistance under this subsection to a foreign law en-
 forcement agency from a foreign state that the Sec-
 retary of State has determined, in accordance with
 section 6(j) of the Export Administration Act of
 1979 (50 U.S.C. App. 2405(j)), has repeatedly pro-
 vided support for acts of international terrorism, un-
 less and until such determination is rescinded pursu-
 ant to section 6(j)(4) of that Act (50 U.S.C. App.
 2405(j)(4)).

“(k) REFERRAL OF EVIDENCE FOR CRIMINAL PRO-

CEEDINGS.—

“(1) IN GENERAL.—Whenever the Commission

obtains evidence that any person, partnership, or
 corporation, either domestic or foreign, has engaged
 in conduct that may constitute a violation of Federal
 criminal law, to transmit such evidence to the Attor-
 ney General, who may institute criminal proceedings

1 under appropriate statutes. Nothing in this para-
2 graph affects any other authority of the Commission
3 to disclose information.

4 “(2) INTERNATIONAL INFORMATION.—The
5 Commission shall endeavor to ensure, with respect to
6 memoranda of understanding and international
7 agreements it may conclude, that material it has ob-
8 tained from foreign law enforcement agencies acting
9 to investigate or pursue the enforcement of foreign
10 criminal laws may be used for the purpose of inves-
11 tigation, prosecution, or prevention of violations of
12 United States criminal laws.

13 “(1) EXPENDITURES FOR COOPERATIVE ARRANGE-
14 MENTS.—To expend appropriated funds for—

15 “(1) operating expenses and other costs of bi-
16 lateral and multilateral cooperative law enforcement
17 groups conducting activities of interest to the Com-
18 mission and in which the Commission participates;
19 and

20 “(2) expenses for consultations and meetings
21 hosted by the Commission with foreign government
22 agency officials, members of their delegations, ap-
23 propriate representatives and staff to exchange views
24 concerning developments relating to the Commis-
25 sion’s mission, development and implementation of

1 cooperation agreements, and provision of technical
2 assistance for the development of foreign consumer
3 protection or competition regimes, such expenses to
4 include necessary administrative and logistic ex-
5 penses and the expenses of Commission staff and
6 foreign invitees in attendance at such consultations
7 and meetings including—

8 “(A) such incidental expenses as meals
9 taken in the course of such attendance;

10 “(B) any travel and transportation to or
11 from such meetings; and

12 “(C) any other related lodging or subsist-
13 ence.”.

14 (c) AUTHORIZATION OF APPROPRIATIONS.—The
15 Federal Trade Commission is authorized to expend appro-
16 priated funds not to exceed \$100,000 per fiscal year for
17 purposes of section 6(l) of the Federal Trade Commission
18 Act (15 U.S.C. 46(l)) (as added by subsection (b) of this
19 section), including operating expenses and other costs of
20 the following bilateral and multilateral cooperative law en-
21 forcement agencies and organizations:

22 (1) The International Consumer Protection and
23 Enforcement Network.

24 (2) The International Competition Network.

1 (3) The Mexico-U.S.-Canada Health Fraud
2 Task Force.

3 (4) Project Emptor.

4 (5) The Toronto Strategic Partnership and
5 other regional partnerships with a nexus in a Cana-
6 dian province.

7 (d) CONFORMING AMENDMENT.—Section 6 of the
8 Federal Trade Commission Act (15 U.S.C. 46) is amended
9 by striking “clauses (a) and (b)” in the proviso following
10 subsection (l) (as added by subsection (b) of this section)
11 and inserting “subsections (a), (b), and (j)”.

12 **SEC. 5. REPRESENTATION IN FOREIGN LITIGATION.**

13 Section 16 of the Federal Trade Commission Act (15
14 U.S.C. 56) is amended by adding at the end the following:

15 “(c) FOREIGN LITIGATION.—

16 “(1) COMMISSION ATTORNEYS.—With the con-
17 currence of the Attorney General, the Commission
18 may designate Commission attorneys to assist the
19 Attorney General in connection with litigation in for-
20 eign courts on particular matters in which the Com-
21 mission has an interest.

22 “(2) REIMBURSEMENT FOR FOREIGN COUN-
23 SEL.—The Commission is authorized to expend ap-
24 propriated funds, upon agreement with the Attorney
25 General, to reimburse the Attorney General for the

1 retention of foreign counsel for litigation in foreign
 2 courts and for expenses related to litigation in for-
 3 eign courts in which the Commission has an interest.

4 “(3) LIMITATION ON USE OF FUNDS.—Nothing
 5 in this subsection authorizes the payment of claims
 6 or judgments from any source other than the perma-
 7 nent and indefinite appropriation authorized by sec-
 8 tion 1304 of title 31, United States Code.

9 “(4) OTHER AUTHORITY.—The authority pro-
 10 vided by this subsection is in addition to any other
 11 authority of the Commission or the Attorney Gen-
 12 eral.”.

13 **SEC. 6. SHARING INFORMATION WITH FOREIGN LAW EN-**
 14 **FORCEMENT AGENCIES.**

15 (a) MATERIAL OBTAINED PURSUANT TO COMPUL-
 16 SORY PROCESS.—Section 21(b)(6) of the Federal Trade
 17 Commission Act (15 U.S.C. 57b–2(b)(6)) is amended by
 18 adding at the end “The custodian may make such material
 19 available to any foreign law enforcement agency upon the
 20 prior certification of an appropriate official of any such
 21 foreign law enforcement agency, either by a prior agree-
 22 ment or memorandum of understanding with the Commis-
 23 sion or by other written certification, that such material
 24 will be maintained in confidence and will be used only for
 25 official law enforcement purposes, if—

1 “(A) the foreign law enforcement agency has
2 set forth a bona fide legal basis for its authority to
3 maintain the material in confidence;

4 “(B) the materials are to be used for purposes
5 of investigating, or engaging in enforcement pro-
6 ceedings related to, possible violations of—

7 “(i) foreign laws prohibiting fraudulent or
8 deceptive commercial practices, or other prac-
9 tices substantially similar to practices prohib-
10 ited by any law administered by the Commis-
11 sion;

12 “(ii) a law administered by the Commis-
13 sion, if disclosure of the material would further
14 a Commission investigation or enforcement pro-
15 ceeding; or

16 “(iii) with the approval of the Attorney
17 General, other foreign criminal laws, if such
18 foreign criminal laws are offenses defined in or
19 covered by a criminal mutual legal assistance
20 treaty in force between the government of the
21 United States and the foreign law enforcement
22 agency’s government;

23 “(C) the appropriate Federal banking agency
24 (as defined in section 3(q) of the Federal Deposit
25 Insurance Act (12 U.S.C. 1813(q)) or, in the case

1 of a Federal credit union, the National Credit Union
2 Administration, has given its prior approval if the
3 materials to be provided under subparagraph (B)
4 are requested by the foreign law enforcement agency
5 for the purpose of investigating, or engaging in en-
6 forcement proceedings based on, possible violations
7 of law by a bank, a savings and loan institution de-
8 scribed in section 18(f)(3) of the Federal Trade
9 Commission Act (15 U.S.C. 57a(f)(3)), or a Federal
10 credit union described in section 18(f)(4) of the Fed-
11 eral Trade Commission Act (15 U.S.C. 57a(f)(4));
12 and

13 “(D) the foreign law enforcement agency is not
14 from a foreign state that the Secretary of State has
15 determined, in accordance with section 6(j) of the
16 Export Administration Act of 1979 (50 U.S.C. App.
17 2405(j)), has repeatedly provided support for acts of
18 international terrorism, unless and until such deter-
19 mination is rescinded pursuant to section 6(j)(4) of
20 that Act (50 U.S.C. App. 2405(j)(4)).

21 Nothing in the preceding sentence authorizes the dislo-
22 sure of material obtained in connection with the adminis-
23 tration of the Federal antitrust laws or foreign antitrust
24 laws (as defined in paragraphs (5) and (7), respectively,
25 of section 12 of the International Antitrust Enforcement

1 Assistance Act of 1994 (15 U.S.C. 6211)) to any officer
 2 or employee of a foreign law enforcement agency.”.

3 (b) INFORMATION SUPPLIED BY AND ABOUT FOR-
 4 EIGN SOURCES.—Section 21(f) of the Federal Trade Com-
 5 mission Act (15 U.S.C. 57b–2(f)) is amended to read as
 6 follows:

7 “(f) EXEMPTION FROM PUBLIC DISCLOSURE.—

8 “(1) IN GENERAL.—Any material which is re-
 9 ceived by the Commission in any investigation, a
 10 purpose of which is to determine whether any person
 11 may have violated any provision of the laws adminis-
 12 tered by the Commission, and which is provided pur-
 13 suant to any compulsory process under this Act or
 14 which is provided voluntarily in place of such com-
 15 pulsory process shall not be required to be disclosed
 16 under section 552 of title 5, United States Code, or
 17 any other provision of law, except as provided in
 18 paragraph (2)(B) of this section.

19 “(2) MATERIAL OBTAINED FROM A FOREIGN
 20 SOURCE.—

21 “(A) IN GENERAL.—Except as provided in
 22 subparagraph (B) of this paragraph, the Com-
 23 mission shall not be required to disclose under
 24 section 552 of title 5, United States Code, or
 25 any other provision of law—

1 “(i) any material obtained from a for-
2 eign law enforcement agency or other for-
3 eign government agency, if the foreign law
4 enforcement agency or other foreign gov-
5 ernment agency has requested confidential
6 treatment, or has precluded such disclosure
7 under other use limitations, as a condition
8 of providing the material;

9 “(ii) any material reflecting a con-
10 sumer complaint obtained from any other
11 foreign source, if that foreign source sup-
12 plying the material has requested confiden-
13 tial treatment as a condition of providing
14 the material; or

15 “(iii) any material reflecting a con-
16 sumer complaint submitted to a Commis-
17 sion reporting mechanism sponsored in
18 part by foreign law enforcement agencies
19 or other foreign government agencies.

20 “(B) SAVINGS PROVISION.—Nothing in
21 this subsection shall authorize the Commission
22 to withhold information from the Congress or
23 prevent the Commission from complying with
24 an order of a court of the United States in an

1 action commenced by the United States or the
2 Commission.”.

3 **SEC. 7. CONFIDENTIALITY; DELAYED NOTICE OF PROCESS.**

4 (a) IN GENERAL.—The Federal Trade Commission
5 Act (15 U.S.C. 41 et seq.) is amended by inserting after
6 section 21 the following:

7 **“SEC. 21A. CONFIDENTIALITY AND DELAYED NOTICE OF**
8 **COMPULSORY PROCESS FOR CERTAIN THIRD**
9 **PARTIES.**

10 “(a) APPLICATION WITH OTHER LAWS.—The Right
11 to Financial Privacy Act (12 U.S.C. 3401 et seq.) and
12 chapter 121 of title 18, United States Code, shall apply
13 with respect to the Commission, except as otherwise pro-
14 vided in this section.

15 “(b) PROCEDURES FOR DELAY OF NOTIFICATION OR
16 PROHIBITION OF DISCLOSURE.—The procedures for delay
17 of notification or prohibition of disclosure under the Right
18 to Financial Privacy Act (12 U.S.C. 3401 et seq.) and
19 chapter 121 of title 18, United States Code, including pro-
20 cedures for extensions of such delays or prohibitions, shall
21 be available to the Commission, provided that, notwith-
22 standing any provision therein—

23 “(1) a court may issue an order delaying notifi-
24 cation or prohibiting disclosure (including extending
25 such an order) in accordance with the procedures of

1 section 1109 of the Right to Financial Privacy Act
2 (12 U.S.C. 3409) (if notification would otherwise be
3 required under that Act), or section 2705 of title 18,
4 United States Code, (if notification would otherwise
5 be required under chapter 121 of that title), if the
6 presiding judge or magistrate judge finds that there
7 is reason to believe that such notification or disclo-
8 sure may cause an adverse result as defined in sub-
9 section (g) of this section; and

10 “(2) if notification would otherwise be required
11 under chapter 121 of title 18, United States Code,
12 the Commission may delay notification (including ex-
13 tending such a delay) upon the execution of a writ-
14 ten certification in accordance with the procedures
15 of section 2705 of that title if the Commission finds
16 that there is reason to believe that notification may
17 cause an adverse result as defined in subsection (g)
18 of this section.

19 “(c) EX PARTE APPLICATION BY COMMISSION.—

20 “(1) IN GENERAL.—If neither notification nor
21 delayed notification by the Commission is required
22 under the Right to Financial Privacy Act (12 U.S.C.
23 3401 et seq.) or chapter 121 of title 18, United
24 States Code, the Commission may apply ex parte to
25 a presiding judge or magistrate judge for an order

1 prohibiting the recipient of compulsory process
2 issued by the Commission from disclosing to any
3 other person the existence of the process, notwith-
4 standing any law or regulation of the United States,
5 or under the constitution, or any law or regulation,
6 of any State, political subdivision of a State, terri-
7 tory of the United States, or the District of Colum-
8 bia. The presiding judge or magistrate judge may
9 enter such an order granting the requested prohibi-
10 tion of disclosure for a period not to exceed 60 days
11 if there is reason to believe that disclosure may
12 cause an adverse result as defined in subsection (g).
13 The presiding judge or magistrate judge may grant
14 extensions of this order of up to 30 days each in ac-
15 cordance with this subsection, except that in no
16 event shall the prohibition continue in force for more
17 than a total of 9 months.

18 “(2) APPLICATION.—This subsection shall
19 apply only in connection with compulsory process
20 issued by the Commission where the recipient of
21 such process is not a subject of the investigation or
22 proceeding at the time such process is issued.

23 “(3) LIMITATION.—No order issued under this
24 subsection shall prohibit any recipient from dis-

1 closing to a Federal agency that the recipient has re-
2 ceived compulsory process from the Commission.

3 “(d) NO LIABILITY FOR FAILURE TO NOTIFY.—If
4 neither notification nor delayed notification by the Com-
5 mission is required under the Right to Financial Privacy
6 Act (12 U.S.C. 3401 et seq.) or chapter 121 of title 18,
7 United States Code, the recipient of compulsory process
8 issued by the Commission under this Act shall not be lia-
9 ble under any law or regulation of the United States, or
10 under the constitution, or any law or regulation, of any
11 State, political subdivision of a State, territory of the
12 United States, or the District of Columbia, or under any
13 contract or other legally enforceable agreement, for failure
14 to provide notice to any person that such process has been
15 issued or that the recipient has provided information in
16 response to such process. The preceding sentence does not
17 exempt any recipient from liability for—

18 “(1) the underlying conduct reported;

19 “(2) a failure to comply with the record reten-
20 tion requirements under section 1104(c) of the
21 Right to Financial Privacy Act (12 U.S.C. 3404),
22 where applicable; or

23 “(3) any failure to comply with any obligation
24 the recipient may have to disclose to a Federal agen-
25 cy that the recipient has received compulsory process

1 from the Commission or intends to provide or has
2 provided information to the Commission in response
3 to such process.

4 “(e) VENUE AND PROCEDURE.—

5 “(1) IN GENERAL.—All judicial proceedings ini-
6 tiated by the Commission under the Right to Finan-
7 cial Privacy Act (12 U.S.C. 3401 et seq.), chapter
8 121 of title 18, United States Code, or this section
9 may be brought in the United States District Court
10 for the District of Columbia or any other appro-
11 priate United States District Court. All ex parte ap-
12 plications by the Commission under this section re-
13 lated to a single investigation may be brought in a
14 single proceeding.

15 “(2) IN CAMERA PROCEEDINGS.—Upon applica-
16 tion by the Commission, all judicial proceedings pur-
17 suant to this section shall be held in camera and the
18 records thereof sealed until expiration of the period
19 of delay or such other date as the presiding judge
20 or magistrate judge may permit.

21 “(f) SECTION NOT TO APPLY TO ANTITRUST INVES-
22 TIGATIONS OR PROCEEDINGS.—This section shall not
23 apply to an investigation or proceeding related to the ad-
24 ministration of Federal antitrust laws or foreign antitrust
25 laws (as defined in paragraphs (5) and (7), respectively,

1 of section 12 of the International Antitrust Enforcement
2 Assistance Act of 1994 (15 U.S.C. 6211).

3 “(g) ADVERSE RESULT DEFINED.—For purposes of
4 this section the term ‘adverse result’ means—

5 “(1) endangering the life or physical safety of
6 an individual;

7 “(2) flight from prosecution;

8 “(3) the destruction of, or tampering with, evi-
9 dence;

10 “(4) the intimidation of potential witnesses; or

11 “(5) otherwise seriously jeopardizing an inves-
12 tigation or proceeding related to fraudulent or de-
13 ceptive commercial practices or persons involved in
14 such practices, or unduly delaying a trial related to
15 such practices or persons involved in such practices,
16 including, but not limited to, by—

17 “(A) the transfer outside the territorial
18 limits of the United States of assets or records
19 related to fraudulent or deceptive commercial
20 practices or related to persons involved in such
21 practices;

22 “(B) impeding the ability of the Commis-
23 sion to identify persons involved in fraudulent
24 or deceptive commercial practices, or to trace

1 the source or disposition of funds related to
 2 such practices; or

3 “(C) the dissipation, fraudulent transfer,
 4 or concealment of assets subject to recovery by
 5 the Commission.”.

6 (b) CONFORMING AMENDMENT.—Section 16(a)(2) of
 7 the Federal Trade Commission Act (15 U.S.C. 56(a)(2))
 8 is amended—

9 (1) in subparagraph (C) by striking “or” after
 10 the semicolon;

11 (2) in subparagraph (D) by inserting “or” after
 12 the semicolon; and

13 (3) by inserting after subparagraph (D) the fol-
 14 lowing:

15 “(E) under section 21A of this Act;”.

16 **SEC. 8. PROTECTION FOR VOLUNTARY PROVISION OF IN-**
 17 **FORMATION.**

18 The Federal Trade Commission Act (15 U.S.C. 41
 19 et seq.) is further amended by adding after section 21A
 20 (as added by section 7 of this Act) the following:

21 **“SEC. 21B. PROTECTION FOR VOLUNTARY PROVISION OF**
 22 **INFORMATION.**

23 “(a) IN GENERAL.—

24 “(1) NO LIABILITY FOR PROVIDING CERTAIN
 25 MATERIAL.—An entity described in paragraphs (2)

1 or (3) of subsection (d) that voluntarily provides ma-
2 terial to the Commission that such entity reasonably
3 believes is relevant to—

4 “(A) a possible unfair or deceptive act or
5 practice, as defined in section 5(a) of this Act;
6 or

7 “(B) assets subject to recovery by the
8 Commission, including assets located in foreign
9 jurisdictions;

10 shall not be liable to any person under any law or
11 regulation of the United States, or under the con-
12 stitution, or any law or regulation, of any State, po-
13 litical subdivision of a State, territory of the United
14 States, or the District of Columbia, for such provi-
15 sion of material or for any failure to provide notice
16 of such provision of material or of intention to so
17 provide material.

18 “(2) LIMITATIONS.—Nothing in this subsection
19 shall be construed to exempt any such entity from
20 liability—

21 “(A) for the underlying conduct reported;
22 or

23 “(B) to any Federal agency for providing
24 such material or for any failure to comply with
25 any obligation the entity may have to notify a

1 Federal agency prior to providing such material
2 to the Commission.

3 “(b) CERTAIN FINANCIAL INSTITUTIONS.—An entity
4 described in paragraph (1) of subsection (d) shall, in ac-
5 cordance with section 5318(g)(3) of title 31, United States
6 Code, be exempt from liability for making a voluntary dis-
7 closure to the Commission of any possible violation of law
8 or regulation, including—

9 “(1) a disclosure regarding assets, including as-
10 sets located in foreign jurisdictions—

11 “(A) related to possibly fraudulent or de-
12 ceptive commercial practices;

13 “(B) related to persons involved in such
14 practices; or

15 “(C) otherwise subject to recovery by the
16 Commission; or

17 “(2) a disclosure regarding suspicious
18 chargeback rates related to possibly fraudulent or
19 deceptive commercial practices.

20 “(c) CONSUMER COMPLAINTS.—Any entity described
21 in subsection (d) that voluntarily provides consumer com-
22 plaints sent to it, or information contained therein, to the
23 Commission shall not be liable to any person under any
24 law or regulation of the United States, or under the con-
25 stitution, or any law or regulation, of any State, political

1 subdivision of a State, territory of the United States, or
2 the District of Columbia, for such provision of material
3 or for any failure to provide notice of such provision of
4 material or of intention to so provide material. This sub-
5 section shall not provide any exemption from liability for
6 the underlying conduct.

7 “(d) APPLICATION.—This section applies to the fol-
8 lowing entities, whether foreign or domestic:

9 “(1) A financial institution as defined in section
10 5312 of title 31, United States Code.

11 “(2) To the extent not included in paragraph
12 (1), a bank or thrift institution, a commercial bank
13 or trust company, an investment company, a credit
14 card issuer, an operator of a credit card system, and
15 an issuer, redeemer, or cashier of travelers’ checks,
16 money orders, or similar instruments.

17 “(3) A courier service, a commercial mail re-
18 ceiving agency, an industry membership organiza-
19 tion, a payment system provider, a consumer report-
20 ing agency, a domain name registrar or registry act-
21 ing as such, and a provider of alternative dispute
22 resolution services.

23 “(4) An Internet service provider or provider of
24 telephone services.”.

1 **SEC. 9. STAFF EXCHANGES.**

2 The Federal Trade Commission Act (15 U.S.C. 41
3 et seq.) is amended by adding after section 25 the fol-
4 lowing new section:

5 **“SEC. 25A. STAFF EXCHANGES.**

6 “(a) IN GENERAL.—The Commission may—

7 “(1) retain or employ officers or employees of
8 foreign government agencies on a temporary basis as
9 employees of the Commission pursuant to section 2
10 of this Act or section 3101 or section 3109 of title
11 5, United States Code; and

12 “(2) detail officers or employees of the Commis-
13 sion to work on a temporary basis for appropriate
14 foreign government agencies.

15 “(b) RECIPROCITY AND REIMBURSEMENT.—The
16 staff arrangements described in subsection (a) need not
17 be reciprocal. The Commission may accept payment or re-
18 imbursement, in cash or in kind, from a foreign govern-
19 ment agency to which this section is applicable, or pay-
20 ment or reimbursement made on behalf of such agency,
21 for expenses incurred by the Commission, its members,
22 and employees in carrying out such arrangements.

23 “(c) STANDARDS OF CONDUCT.—A person appointed
24 under subsection (a)(1) shall be subject to the provisions
25 of law relating to ethics, conflicts of interest, corruption,
26 and any other criminal or civil statute or regulation gov-

1 erning the standards of conduct for Federal employees
 2 that are applicable to the type of appointment.”.

3 **SEC. 10. INFORMATION SHARING WITH FINANCIAL REGU-**
 4 **LATORS.**

5 Section 1112(e) of the Right to Financial Privacy Act
 6 of 1978 (12 U.S.C. 3412(e)) is amended by inserting “the
 7 Federal Trade Commission,” after “the Securities and Ex-
 8 change Commission,”.

9 **SEC. 11. AUTHORITY TO ACCEPT REIMBURSEMENTS, GIFTS,**
 10 **AND VOLUNTARY AND UNCOMPENSA TED**
 11 **SERVICES.**

12 The Federal Trade Commission Act (15 U.S.C. 41
 13 et seq.) is amended—

14 (1) by redesignating section 26 as section 28;
 15 and

16 (2) by inserting after section 25A, as added by
 17 section 9 of this Act, the following:

18 **“SEC. 26. REIMBURSEMENT OF EXPENSES.**

19 “The Commission may accept payment or reimburse-
 20 ment, in cash or in kind, from a domestic or foreign law
 21 enforcement agency, or payment or reimbursement made
 22 on behalf of such agency, for expenses incurred by the
 23 Commission, its members, or employees in carrying out
 24 any activity pursuant to a statute administered by the
 25 Commission without regard to any other provision of law.

1 Any such payments or reimbursements shall be considered
 2 a reimbursement to the appropriated funds of the Com-
 3 mission.

4 **“SEC. 27. GIFTS AND VOLUNTARY AND UNCOMPENSATED**
 5 **SERVICES.**

6 “(a) IN GENERAL.—In furtherance of its functions
 7 the Commission may accept, hold, administer, and use un-
 8 conditional gifts, donations, and bequests of real, personal,
 9 and other property and, notwithstanding section 1342 of
 10 10 title 31, United States Code, accept voluntary and un-
 11 compensated services.

12 “(b) LIMITATIONS.—

13 “(1) CONFLICTS OF INTEREST.—The Commis-
 14 sion shall establish written guidelines setting forth
 15 criteria to be used in determining whether the ac-
 16 ceptance, holding, administration, or use of a gift,
 17 donation, or bequest pursuant to subsection (a)
 18 would reflect unfavorably upon the ability of the
 19 Commission or any employee to carry out its respon-
 20 sibilities or official duties in a fair and objective
 21 manner, or would compromise the integrity or the
 22 appearance of the integrity of its programs or any
 23 official involved in those programs.

24 “(2) VOLUNTARY SERVICES.—A person who
 25 provides voluntary and uncompensated service under

1 subsection (a) shall be considered a Federal em-
 2 ployee for purposes of—

3 “(A) chapter 81 of title 5, United States
 4 Code, (relating to compensation for injury); and

5 “(B) the provisions of law relating to eth-
 6 ics, conflicts of interest, corruption, and any
 7 other criminal or civil statute or regulation gov-
 8 erning the standards of conduct for Federal
 9 employees.

10 “(3) TORT LIABILITY OF VOLUNTEERS.—A per-
 11 son who provides voluntary and uncompensated serv-
 12 ice under subsection (a), while assigned to duty,
 13 shall be deemed a volunteer of a nonprofit organiza-
 14 tion or governmental entity for purposes of the Vol-
 15 unteer Protection Act of 1997 (42 U.S.C. 14501 et
 16 seq.). Subsection (d) of section 4 of such Act (42
 17 U.S.C. 14503(d)) shall not apply for purposes of any
 18 claim against such volunteer.”.

19 **SEC. 12. PRESERVATION OF EXISTING AUTHORITY.**

20 The authority provided by this Act, and by the Fed-
 21 eral Trade Commission Act (15 U.S.C. 41 et seq.) and
 22 the Right to Financial Privacy Act (12 U.S.C. 3401 et
 23 seq.), as such Acts are amended by this Act, is in addition
 24 to, and not in lieu of, any other authority vested in the

1 Federal Trade Commission or any other officer of the
2 United States.

3 **SEC. 13. REPORT.**

4 Not later than 3 years after the date of enactment
5 of this Act, the Federal Trade Commission shall transmit
6 to Congress a report describing its use of and experience
7 with the authority granted by this Act, along with any rec-
8 ommendations for additional legislation. The report shall
9 include—

10 (1) the number of cross-border complaints re-
11 ceived by the Commission;

12 (2) identification of the foreign agencies to
13 which the Commission has provided nonpublic inves-
14 tigative information under this Act;

15 (3) the number of times the Commission has
16 used compulsory process on behalf of foreign law en-
17 forcement agencies pursuant to section 6 of the Fed-
18 eral Trade Commission Act (15 U.S.C. 46), as
19 amended by section 4 of this Act;

20 (4) a list of international agreements and
21 memoranda of understanding executed by the Com-
22 mission that relate to this Act;

23 (5) the number of times the Commission has
24 sought delay of notice pursuant to section 21A of
25 the Federal Trade Commission Act, as added by sec-

1 tion 7 of this Act, and the number of times a court
2 has granted a delay;

3 (6) a description of the types of information
4 private entities have provided voluntarily pursuant to
5 section 21B of the Federal Trade Commission Act,
6 as added by section 8 of this Act;

7 (7) a description of the results of cooperation
8 with foreign law enforcement agencies under section
9 21 of the Federal Trade Commission Act (15 U.S.C.
10 57–2) as amended by section 6 of this Act;

11 (8) an analysis of whether the lack of an ex-
12 emption from the disclosure requirements of section
13 552 of title 5, United States Code, with regard to
14 information or material voluntarily provided relevant
15 to possible unfair or deceptive acts or practices, has
16 hindered the Commission in investigating or engag-
17 ing in enforcement proceedings against such prac-
18 tices; and

19 (9) a description of Commission litigation
20 brought in foreign courts.

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