

Legislative Bulletin.....May 18, 2009

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H.Res. 448 – Congratulating the University of California, Davis for a century as a premier public research university and one of our Nation’s finest institutions of higher education
(M. Thompson, D-CA)

Order of Business: H.Res. 448 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 448 resolves that the House of Representatives:

- “Congratulates the University of California, Davis, for 100 successful years of providing superb educational opportunities for California;
- “Recognizes the incredible range of accomplishments by the faculty, staff, students, and alumni of the University of California, Davis, across the whole range of human endeavor; and
- “Thanks the University of California, Davis, for its contribution to the betterment of our communities, our State, and our Nation.”

The resolution lists a new of findings including:

- “The University of California, Davis (UC Davis), was authorized by Governor George Pardee in 1905 as an agricultural research campus and opened its doors to students in 1908;
- “UC Davis became a full University of California campus in 1959;
- “UC Davis has since expanded its student body to more than 30,000 students, and its academic offerings to more than 100 undergraduate majors, 87 graduate programs, and 6 professional schools including education, law, management, medicine, nursing, and veterinary medicine;
- “UC Davis--true to its land-grant mission--has in a century touched everything that matters to us as human beings, from our health to the economy, to what we eat and drink, to how we experience and interpret life;
- “UC Davis scientists and alumni have transformed agriculture to the benefit of California and the world;
- “The UC Davis art program has influenced the course of art history and brought critical attention to artists in California;
- “UC Davis scientists have helped to protect Lake Tahoe, Mono Lake, and other environmental treasures;
- “The UC Davis Medical Center is a top research hospital that also serves as the primary acute-care and trauma center for 6,000,000 people in the region...”

Committee Action: H.Res. 448 was introduced on May 14, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

H.Res. 386 – Commending the University of Georgia Gymnastics Team for winning the 2009 NCAA National Championship (Broun, R-GA)

Order of Business: H.Res. 386 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 386 resolves that the House of Representatives:

- “Commends the University of Georgia Gymnastics Team for winning the 2009 NCAA National Championship;
- “Recognizes that the Gym Dogs have won more national championships than any other program in the Nation; and
- “Congratulates Suzanne Yoculan for a spectacular career as the University of Georgia's gymnastics coach.”

The resolution lists a new of findings including:

- “The University of Georgia (UGA) Gymnastics program has won its 10th National Collegiate Women's Gymnastics Championship;
- “The University of Georgia Gymnastics program has won 16 SEC Championships;
- “The University of Georgia Gymnastics program has produced seven Honda Award winners, with Courtney Kupets under consideration as a finalist for the 2009 award;
- “The 2009 national title is the program's fifth consecutive national championship;
- “The Gym Dogs are now the most successful gymnastics program in the country;
- “The University of Georgia's gymnastics team, the Gym Dogs, has made 26 consecutive appearances in the NCAA Gymnastics Championships;
- “The 2009 Gym Dogs team's overall record was an amazing 32-1;
- “The 2009 Gym Dogs also achieved the school's highest team GPA, 3.36;
- “The gymnastics team's coach, Suzanne Yoculan, is retiring as the most successful collegiate gymnastics coach in NCAA history.”

Committee Action: H.Res. 386 was introduced on April 30, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

H.Res. 300 – Congratulating Camp Dudley YMCA of Westport, New York, on the occasion of its 125th anniversary (McHugh, R-NY)

Order of Business: H.Res. 300 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 300 resolves that the House of Representatives:

- “Congratulates Camp Dudley YMCA of Westport, New York, on the occasion of its 125th anniversary; and
- “Recognizes Camp Dudley YMCA's current staff, campers, and alumni for their contributions to their community.”

The resolution lists a new of findings including:

- “Camp Dudley YMCA (‘Camp Dudley’) was founded in 1885 by Sumner F. Dudley, a YMCA volunteer;
- “Camp Dudley is located in Westport, New York, with two miles of frontage on Lake Champlain and surrounded by the Adirondack Mountains;
- “Camp Dudley is the oldest Camp in continuous operation in the United States;
- “Camp Dudley's motto of ‘The Other Fellow First’, is at the heart of camp life;
- “Camp Dudley is a place that celebrates timeless traditional values, inspiring boys, girls, men, and women alike to seek something higher than their own self-interest;
- “Camp Dudley has remained true to its mission to develop moral, personal, physical, and leadership skills in the spirit of fellowship and fun, enabling boys and girls to lead lives characterized by devotion to others;
- “Camp Dudley's leadership development program is a dynamic part of the camp experience;
- “Camp Dudley has a great legacy of Cabin Leadership, driven by caring and bold leaders whose devotion to their campers is the cornerstone for successful summers;
- “Camp Dudley is committed to providing a balanced program for campers that includes team sports, individual sports, the arts, outdoor offerings, and spiritual traditions;
- “Campers can participate in a variety of activities and sports including arts and crafts, archery, band, baseball, basketball, canoeing, ceramics, chorus, drama, fishing, flag football, golf, hiking, high and low ropes courses, kayaking, lacrosse, lifesaving, mountaineering, music, photography, publications, riflery, rock

- climbing, sailing, soccer, softball, swimming, diving, tennis, track and field, water polo, weight training, writing, video, and volleyball;
- “Camp Dudley expanded its reach by welcoming Camp Kiniya for girls into its family in 2006;
 - “Camp Dudley welcomes a diverse camper body of boys of all faiths into their community...”

Committee Action: H.Res. 300 was introduced on March 30, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

H.Res. 297 – Recognizing May 25, 2009, as National Missing Children’s Day (Biggert, R-IL)

Order of Business: H.Res. 297 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 297 resolves that the House of Representatives:

- “Recognizes National Missing Children's Day and encourages all Americans to join together to plan events in communities across America to raise public awareness about the issue of missing children and the need to address this national problem,
- “Recognizes that one of the most important tools for law enforcement to use in the case of a missing child is an up-to-date, good quality photograph and urges all parents and guardians to follow this important precaution, and
- “Acknowledges that National Missing Children's Day should remind Americans not to forget the children who are still missing and not to waver in the effort to reunite them with their families.”

The resolution lists a new of findings including:

- “May 25, 2009, will be the 27th National Missing Children's Day;
- “National Missing Children's Day honors our Nation's obligation to locate and recover missing children by prompting parents, guardians, and other trusted-adult role models to make child safety an utmost priority;
- “In the United States nearly 800,000 children are reported missing a year, more than 58,000 children are abducted by non-family members, and more than 2,000 children are reported missing every day;
- “Congress's efforts to provide resources, training, and technical assistance has increased the capabilities of State and local law enforcement to find children and to return them home safely;
- “The 1979 disappearance of 6-year-old Etan Patz served as the impetus for the creation of National Missing Children's Day, first proclaimed in 1983; and
- “Etan's photo was distributed nationwide and appeared in media globally, and the powerful image came to represent the anguish of thousands of searching families.”

Committee Action: H.Res. 297 was introduced on March 30, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

**H.Res. 347 – Congratulating Averett University in Danville, Virginia,
for 150 years of service and leadership to the United States
(Perriello, D-VA)**

Order of Business: H.Res. 347 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 347 resolves that the House of Representatives:

- “Congratulates Averett University in Danville, Virginia, for 150 years of service and leadership to the United States.”

The resolution lists a new of findings including:

- “In 1859, Union Female College, the forerunner of Averett University was established to provide educational opportunities for young women who did not have many educational opportunities;
- “The name Averett College was officially adopted to honor the institution's early founders;
- “In 1971, Averett became a fully accredited, coeducational, 4-year institution of higher education;
- “In 1980, Averett awarded its first master's degrees;
- “In 1988, Averett became the first institution of higher education in Virginia to offer an innovative, accelerated program for working adults who wished to earn advanced degrees;
- “In 2001, Averett College officially became known as Averett University in recognition of its growth;
- “Averett University enrolls more than 2,450 students from 25 states and 12 countries and employs more than 350 people statewide;
- “Averett University offers 32 undergraduate majors and master's degree programs in business and education;
- “Averett University confers nearly 800 degrees each year...”

Committee Action: H.Res. 347 was introduced on April 21, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

H.Res. 442 – Recognizing the importance of the Child and Adult Care Food Program and its positive effect on the lives of low income children and families (*Miller, D-CA*)

Order of Business: H.Res. 442 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 442 resolves that the House of Representatives:

- “Recognizes the importance of the Child and Adult Care Food Program and its overall positive effect on the lives of low-income children and families, as well as its positive effect on improving the quality of a child's child care environment;
- “Promotes program collaboration and encourages States to better coordinate the use of all Federal and State funding streams across early learning and child development systems and programs, including the Child and Adult Care Food Program;
- “Recognizes the need to provide adequate resources to improve the availability and quality of nutritious meals and snacks served by Child and Adult Care Food Program facilities;
- “Recognizes the impact of nonprofit and community organizations that work to increase the awareness of, and access to, the Child and Adult Care Food Program;
- “Recognizes the need to provide States with resources to improve the availability of nutritious meals in child care;
- “Recognizes that the Child and Adult Care Food Program provides a higher meal quality and a substantial nutrition contribution to the diets of children in child care; and
- “Recognizes the Child and Adult Care Food Program can help young children establish healthy eating habits which help to prevent childhood obesity.”

The resolution lists a new of findings including:

- “Child and Adult Care Food Program participants under the Richard B. Russell National School Lunch Act include sponsoring organizations, child care centers, family day care homes, Head Start programs, at-risk after-school care centers, outside-school hours care centers, emergency shelters, and adult day care centers;
- “49,624 licensed child care centers with 2,300,000 children participated in the Child and Adult Care Food Program in 2008;
- “141,535 licensed or approved family child care homes with 849,000 children participated in the Child and Adult Care Food Program in 2008;

- “872 family child care sponsoring organizations participated in the Child and Adult Care Food Program in 2008;
- “In 2008, 71 percent of all meals served in child care centers participating in the Child and Adult Care Food Program qualified for reimbursement at the rates established for free or reduced price meals;
- “78 percent of all meals served in family day care homes participating in the Child and Adult Care Food Program qualified for tier I reimbursement factors in 2008;
- “The Child and Adult Care Food Program was cited as one of the important supports for long-term success in building strong family child care for low-income families;
- “87 percent of the family child care homes considered to be providing good quality child care participated in the Child and Adult Care Food Program;
- “The Child and Adult Care Food Program, due to its unique combination of training and oversight, is an effective vehicle for supporting family child care providers and enhancing the care they provide;
- “The Department of Agriculture’s evaluation of the Child and Adult Care Food Program found that children in the Child and Adult Care Food Program received meals that were nutritionally superior to those meals served in child care settings outside of the Child and Adult Care Food Program;
- “Studies have shown that young children feel safe and secure, pay attention, behave, and stay healthy, when they are well nourished;
- “Research has shown that children who participate in the Child and Adult Care Food Program eat more fruits, vegetables, milk, and have a better overall diet quality;
- “The current economic crisis is causing more families to rely on the Child and Adult Care Food Program as they struggle to feed their children;
- “The Child and Adult Care Food Program contributes to and supports quality child care that provides early education experiences; and
- “Participation in the Child and Adult Care Food Program, provides a basis for lifetime healthy eating behaviors.”

Committee Action: H.Res. 442 was introduced on May 14, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

H.Res. 374 – Recognizing the roles and contributions of America’s teachers to building and enhancing our Nation’s civic, cultural, and economic well-being (Graves, R-TX)

Order of Business: H.Res. 374 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 374 resolves that the House of Representatives:

- “Thanks and promotes the profession of teaching to encourage students, parents, school administrators, and public officials to participate in teacher appreciation events during National Teacher Appreciation Week.”

The resolution lists a new of findings including:

- “Education and knowledge are the foundation of America's current and future strength;
- “Teachers and other education staff have earned and deserve the respect of their students and communities for their selfless dedication to community service and the future of our Nation's children;
- “The purpose of `National Teacher Appreciation Week', held during May 3, 2009, through May 10, 2009, is to raise public awareness of the unquantifiable contributions of teachers and to promote greater respect and understanding for the teaching profession; and
- “A number of organizations representing educators, such as the National Education Association and the National Parent Teacher Association, are hosting teacher appreciation events in recognition of `National Teacher Appreciation Week'.”

Committee Action: H.Res. 374 was introduced on April 28, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

H.Res. 438 – Expressing support for designation of September as “National Child Awareness Month” (*Loretta Sanchez, D-CA*)

Order of Business: H.Res. 438 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 438 resolves that the House of Representatives:

- “Supports the designation of a National Child Awareness Month to promote awareness of children's charities and youth-serving organizations across the United States and recognizes their efforts on behalf of children and youth as a critical contribution to the future of our Nation.”

The resolution lists a new of findings including:

- “Millions of American children and youth represent the hopes and future of our Nation;
- “Numerous individuals, children's organizations, and youth-serving organizations that work with children and youth collaborate to provide invaluable services to enrich and better the lives of the young;
- “Heightening awareness of and increasing support for organizations that provide access to healthcare, social services, education, the arts, sports, and other services will assist in the development of character and the future success of our Nation's youth;
- “September is a time when parents, families, teachers, school administrators, and communities in general increase their focus on children and youth nationwide as the school year begins;
- “September is a time for the people of the United States as a whole to highlight and be mindful of the needs of children and youth;
- “The House of Representatives unanimously passed H. Res. 1296 in 2008 to support the designation of September as ‘National Child Awareness Month’;
- “Private corporations and businesses have joined with hundreds of national and local charitable organizations throughout the Nation in support of a month-long focus on children and youth; and

- “Designating September 2009 as National Child Awareness Month would recognize that a long-term commitment to children and youth is in the public interest, and will encourage widespread support for the charities and organizations that seek to provide a better future for the children and youth of the United States.”

Committee Action: H.Res. 438 was introduced on May 14, 2009 and referred to the House Education and Labor Committee, which took no official action.

Cost to Taxpayers: The resolution authorizes no additional expenditures.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee reporting citing compliance with the rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. However, the resolution does not contain any earmarks.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

RSC Staff Contact: Natalie Farr; natalie.farr@mail.house.gov 202-226-0718.

S. 386 – Fraud Enforcement and Recovery Act of 2009, as amended (*Sen. Leahy, D-VT*)

Order of Business: S. 386 is scheduled to be considered on Monday, May 18, 2009 under a motion to suspend the rules and pass the bill. The bill passed the Senate by a vote of [92-4](#) on April 28, 2009. An amended version of the bill passed the House by a vote of [367-59](#) on May 6, 2009. The Senate then passed the House-passed version of S. 386 with an amendment by unanimous consent on May 14, 2009. Today, we are considering the House-passed version of S. 386 with a Senate amendment.

Changes since the House passed S. 386. The only change, compared to the previous version considered by the House, is that the Commission established in this bill may only issue a subpoena for a witness if at least one member of the Commission appointed by the minority votes “yes” to do so. This is an attempt to satisfy Republicans who opposed the idea that the Commission have a 6-4 (Majority-Minority) ratio.

Summary: S. 386 expands the definition of financial institution in the federal criminal fraud statute (Chapter 1, title 18) to include “mortgage lending businesses.” A “mortgage lending business” is defined as an organization which finances or refinances any debt

secured by an interest in real estate, including private mortgage companies and any subsidiaries of such organizations, and whose activities affect interstate or foreign commerce.

The bill amends the False Statements in Mortgage Applications statute (Section 1014 of title 18) to cover mortgage lending businesses affecting interstate or foreign commerce or any person or entity involved in federally related mortgage loans.

The bill amends the criminal fraud statute to cover any grant, contract, subcontract, subsidy, loan, guarantee, insurance, or other form of federal assistance, including through the Troubled Assets Relief Program, the economic stimulus recovery or rescue plan provided by the Government, or the Government's purchase of any troubled asset as defined in the Emergency Economic Stabilization Act of 2008.

The bill amends the federal money laundering statute to define proceeds of specified unlawful activity. "Proceeds" is defined in the bill to mean any property derived from or obtained or retained, directly or indirectly, through some form of unlawful activity, including the gross receipts of such activity. Current law limits the proceeds of unlawful activity to profits from the unlawful activity.

Lastly, the bill amends the federal international money laundering statute to cover tax evasion.

Authorizations. The bill authorizes \$165,000,000 for each year from FY 2010 to FY 2011 for investigations, prosecutions, and civil proceedings involving Federal assistance programs and financial institutions.

- FBI – \$75,000,000 for FY 2010 and \$65,000,000 for FY 2011.
- US Attorneys – \$50,000,000.
- Criminal division of the Department of Justice – a \$20,000,000.
- Civil division of the Department of Justice – \$15,000,000.
- Tax division of the Department of Justice – \$5,000,000.
- US Postal Service – \$30,000,000 for each year from FY 2010-FY 2011.
- Inspector General for the Department of Housing and Urban Development – \$30,000,000 for each year from FY 2010-FY 2011.
- US Secret Service – \$20,000,000 for each year from FY 2010-FY 2011.
- Securities and Exchange Commission – \$20,000,000 for each year from FY 2010-FY 2011 for investigations and enforcement proceedings.
- Securities and Exchange Commission – \$1,000,000 for each year from FY 2010-FY 2011 for salaries and expenses.

The funds must be used to investigate possible criminal, civil, or administrative violations and for prosecuting criminal, civil, or administrative proceedings involving financial crimes and crimes against Federal assistance programs, including mortgage fraud, securities fraud, financial institution fraud, and other frauds related to federal assistance and relief programs.

Following the expenditure of all the funds, most of the departments listed above must submit a joint report to Congress identifying the amounts expended and the amounts recovered as a result of criminal or civil restitution, fines, penalties, and other monetary recoveries due to this Act.

Amending the False Claims Act (FCA). S. 386 amends the FCA to overturn some recent court decisions that narrowed the reach of the FCA. The FCA allows an individual with knowledge of fraud against the Government, to file a lawsuit on behalf of the Government against the person who committed the fraud. The bill makes the following clarifications to the FCA to include any person who:

- Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;
- Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;
- Has possession, custody, or control of property or money used, or to be used, by the government and knowingly delivers, or causes to be delivered, less than all of that money or property;
- Is authorized to make or deliver a document certifying receipt of property used, or to be used, by the government and, intending to defraud the government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
- Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the government, or a member of the Armed Forces, who lawfully may not sell or pledge property;
- Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the government.

The individuals above are liable for a civil penalty of not less than \$5,000 and not more than \$10,000, plus three times the amount of damages which the Government sustains because of the act of that individual. Reduced damages are possible if the court find that the individual did certain things, such as cooperate with an investigation of a violation. Any person in violation of this act is liable for the costs of the civil action brought to recover the damages. Liability does not apply to federal employment compensation or income subsidies (i.e. Social Security benefits).

Establishment of a Financial Markets Commission. The bill establishes in the legislative branch the Financial Markets Commission to examine all causes, domestic and global, or the current financial and economic crisis in the US. The Commission is composed of ten members appointed by various Senators and Congressmen from the Majority and the Minority (*six chosen by the Majority and four chosen by the Minority*). The Commission's functions are to examine the causes of the current crisis including the role, if any, of:

- fraud and abuse in the financial sector;
- federal and state financial regulators, including the extent to which they enforced, or failed to enforce statutory, regulatory, or supervisory requirements;
- the global imbalance of savings, international capital flows, and fiscal imbalances of various governments;
- monetary policy and the availability and terms of credit;
- accounting practices, including, mark-to-market and fair value rules, and treatment of off-balance sheet vehicles;
- tax treatment of financial products and investments;
- capital requirements and regulations on leverage and liquidity, including the capital structures of regulated and non-regulated financial entities;
- credit rating agencies;
- lending practices and securitization, including the originate-to-distribute model for extending credit and transferring risk;
- affiliations between insured depository institutions and securities, insurance, and other types of nonbanking companies;
- market participant expectations that certain institutions were 'too-big-to-fail';
- corporate governance, including the impact of company conversions from partnerships to corporations;
- compensation structures;
- changes in compensation for employees of financial companies, as compared to compensation for others with similar skill sets in the labor market;
- federal housing policy;
- derivatives and unregulated financial products and practices;
- short-selling;
- financial institution reliance on numerical models, including risk models and credit ratings;
- the legal and regulatory structure governing financial institutions;
- the legal and regulatory structure governing investor protection;
- financial institutions and government-sponsored enterprises;
- the reliance on credit ratings by Federal financial regulators, and the use of credit ratings in financial regulation; and
- the quality of due diligence undertaken by financial institutions.

The Commission will also be charged with:

- Examining the causes of the collapse of each major financial institution that failed or was likely to have failed if not for the receipt of government assistance between August 2007 and April 2009.
- Referring to the Attorney General any person that they find may have violated the law.
- Reviewing the record of certain committees, the GAO, and other legislative panels with respect to the current financial and economic crisis.

The commission may also hold hearings and require, by subpoena or otherwise, the attendance and testimony of witnesses and the production of documents.

Funding of the Commission. The Secretary of the Treasury shall provide, out of money that was previously appropriated, \$5,000,000 to the commission.

Report of the Commission. On December 15, 2010, the commission shall submit to the President and to Congress a report containing the findings and conclusions of the commission on the causes of the current financial and economic crisis in the US. Not later than 120 days after the date of submission of the final reports, the chairperson of the commission shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding the report. No more than 60 days after the report is given to Congress, the commission will terminate.

Possible Conservative Concerns:

- Some conservatives might be concerned that this bill, which will cost \$490 million over four years, is being considered on the suspension calendar without the opportunity for amendments.
- The Heritage Foundation and the National Association of Criminal Defense Lawyers state in their February 11, 2009 [letter to Senators Leahy and Specter](#), part of S. 386 is “redundant and risks overreaching.” They state that Congress “has already enacted all of the tools prosecutors need (and far more) to prosecute any criminal activity associated with the subprime market or the current financial crisis.”
- The letter also argues that the bill is an “inappropriate expansion of federal authority, at the expense of state and local law-enforcement operations.”
- Many Republicans may be concerned that the Financial Crisis Inquiry Commission under-represents the minority. The commission will be split 6 to 4 (6 chosen by the majority and 4 chosen by the minority) which will give the majority more of a say on how the commission is to be run.

Committee Action: S. 386 was introduced on February 5, 2009 and referred to the Senate Judiciary Committee. The bill was reported out of the Senate Judiciary Committee by voice vote on March 5, 2009 with an amendment in the nature of a substitute.

Cost to Taxpayers: According to CBO, S. 386 would authorize \$490 million over the 2010-2014 period.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. The bill creates new federal crimes. According to CBO, the bill “broadens coverage of current laws against financial crimes, including fraud affecting mortgages, securities, and federal assistance and relief programs.”

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No committee report citing compliance with House rules on earmarks/limited tax benefits/limited tariff benefits is available.

Constitutional Authority: No committee report citing constitutional authority is available.

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