

100TH CONGRESS
2D SESSION

H. R. 3911

To amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1988

Mr. HUGHES (for himself, Mr. McCOLLUM, Mr. MAZZOLI, Mr. CROCKETT, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. STAGGERS, Mr. SMITH of Texas, Mr. SHAW, Mr. GEKAS, Mr. HERTEL, and Mr. BRYANT) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States.

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.

4 This Act may be cited as the "Major Fraud Act of
5 1988".

6 SEC. 2. CHAPTER 47 AMENDMENT.

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

1 **“§1031. Major fraud against the United States**

2 “(a) Whoever knowingly executes, or attempts to exe-
3 cute any scheme or artifice—

4 “(1) to defraud the United States; or

5 “(2) to obtain money or property from the United
6 States by means of false or fraudulent pretenses, repre-
7 sentations, or promises;

8 in any procurement of property or services for the Govern-
9 ment, if the value of the contract for such property or serv-
10 ices is \$1,000,000 or more, shall be fined under this title or
11 imprisoned not more than 7 years, or both. The fine imposed
12 for an offense under this section may exceed the maximum
13 otherwise provided by law, if such fine does not exceed twice
14 the value of such contract and the amount of the fraud is
15 substantial in relation to the value of such contract. A pros-
16 ecution of an offense under this section may be commenced
17 any time not later than 7 years after the offense is commit-
18 ted.

19 “(b) Upon application by the Attorney General, the
20 court may order a payment from a criminal fine under this
21 section to an individual who furnished information leading to
22 the conviction under this section. The amount of such pay-
23 ment shall not exceed \$250,000. An officer or employee of a
24 government who furnishes information or renders service in
25 the performance of official duties is not eligible for a payment
26 under this subsection.

1 “(c) Any individual who is discharged, demoted, sus-
2 pended, threatened, harassed, or in any other manner dis-
3 criminated against in the terms and conditions of employment
4 by an employer because of lawful acts done by the employee
5 on behalf of the employee or others in furtherance of a pros-
6 ecution under this section (including investigation for, initi-
7 ation of, testimony for, or assistance in such a prosecution)
8 may, in a civil action, obtain all relief necessary to make such
9 individual whole. Such relief shall include reinstatement with
10 the same seniority status such individual would have had but
11 for the discrimination, 2 times the amount of back pay, inter-
12 est on the back pay, and compensation for any special dam-
13 ages sustained as a result of the discrimination, including liti-
14 gation costs and reasonable attorneys’ fees.”.

15 (b) CLERICAL AMENDMENT.—The table of sections at
16 the beginning of chapter 47 of title 18, United States Code,
17 is amended by adding at the end the following new item:
“1031. Major fraud against the United States.”.

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