

105TH CONGRESS  
2D SESSION

# S. 2587

To protect the public, especially seniors, against telemarketing fraud and telemarketing fraud over the Internet and to authorize an educational campaign to improve senior citizens' ability to protect themselves against telemarketing fraud over the Internet.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 8 (legislative day, OCTOBER 2), 1998

Mr. WYDEN introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To protect the public, especially seniors, against telemarketing fraud and telemarketing fraud over the Internet and to authorize an educational campaign to improve senior citizens' ability to protect themselves against telemarketing fraud over the Internet.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

**TITLE I—TELEMARKETING  
FRAUD OVER THE INTERNET**

**SECTION 101. EXTENSION OF CRIMINAL FRAUD STATUTE  
TO INTERNET.**

Section 1343 of title 18, United States Code, is amended by—

(1) striking “or television communication” and inserting “television communication or the Internet”; and

(2) adding at the end thereof the following:

“For purposes of this section, the term ‘Internet’ means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.”.

**SEC. 102. FEDERAL TRADE COMMISSION SANCTIONS.**

The Federal Trade Commission shall initiate a rule-making proceeding to set forth the application of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) and other statutory provisions within its jurisdiction to deceptive acts or practices in or affecting the commerce of

1 the United States in connection with the promotion, adver-  
2 tisement, offering for sale, or sale of goods or services  
3 through use of the Internet, including the initiation, trans-  
4 mission, and receipt of unsolicited commercial electronic  
5 mail. For purposes of this section, the term ‘Internet’  
6 means collectively the myriad of computer and tele-  
7 communications facilities, including equipment and oper-  
8 ating software, which comprise the interconnected world-  
9 wide network of networks that employ the Transmission  
10 Control Protocol/Internet Protocol, or any predecessor or  
11 successor protocols to such protocol, to communicate in-  
12 formation of all kinds by wire or radio.

## 13 **TITLE II—SPECIAL PROTECTION** 14 **FOR SENIOR CITIZENS**

### 15 **SEC. 201. FINDINGS.**

16 The Congress finds that—

17 (1) telemarketing fraud costs consumers nearly  
18 \$40,000,000,000 each year;

19 (2) senior citizens are often the target of tele-  
20 marketing fraud;

21 (3) fraudulent telemarketers compile into  
22 “mooch lists” the names of potentially vulnerable  
23 consumers;

1           (4) according to the American Association of  
2 Retired Persons, 56 percent of the names on “mooch  
3 lists” are individuals age 50 or older;

4           (5) the Department of Justice has undertaken  
5 successful investigations and prosecutions of tele-  
6 marketing fraud through various operations, includ-  
7 ing “Operation Disconnect”, “Operation Senior Sen-  
8 tinel”, and “Operation Upload”;

9           (6) the Federal Bureau of Investigation has  
10 helped provide resources to assist organizations such  
11 as the American Association of Retired Persons to  
12 operate outreach programs designed to warn senior  
13 citizens whose names appear on confiscated “mooch  
14 lists”;

15           (7) the Administration on Aging was formed, in  
16 part, to provide senior citizens with the resources,  
17 information, and assistance their special cir-  
18 cumstances require;

19           (8) the Administration on Aging has a system  
20 in place to effectively inform senior citizens of the  
21 dangers of telemarketing fraud; and

22           (9) senior citizens need to be warned of the  
23 dangers of telemarketing fraud and fraud over the  
24 Internet before they become victims.

1 **SEC. 202. PURPOSE.**

2 It is the purpose of this title through education and  
3 outreach to protect senior citizens from the dangers of  
4 telemarketing fraud and fraud over the Internet and to  
5 facilitate the investigation and prosecution of fraudulent  
6 telemarketers.

7 **SEC. 203. DISSEMINATION OF INFORMATION.**

8 (a) IN GENERAL.—The Secretary of Health and  
9 Human Services, acting through the Assistant Secretary  
10 for Aging, shall publicly disseminate in each State infor-  
11 mation designed to educate senior citizens and raise  
12 awareness about the dangers of telemarketing fraud and  
13 fraud over the Internet .

14 (b) INFORMATION.—In carrying out subsection (a),  
15 the Secretary shall—

16 (1) inform senior citizens of the prevalence of  
17 telemarketing fraud and fraud over the Internet tar-  
18 geted against them;

19 (2) inform senior citizens of how telemarketing  
20 fraud and fraud over the Internet works;

21 (3) inform senior citizens of how to identify  
22 telemarketing fraud and fraud over the Internet ;

23 (4) inform senior citizens of how to protect  
24 themselves against telemarketing fraud and fraud  
25 over the Internet, including an explanation of the  
26 dangers of providing bank account, credit card, or

1 other financial or personal information over the tele-  
2 phone to unsolicited callers;

3 (5) inform senior citizens of how to report sus-  
4 pected attempts at telemarketing Fraud and over  
5 the Internet fraud;

6 (6) inform senior citizens of their consumer  
7 protection rights under Federal law; and

8 (7) provide such other information as the Sec-  
9 retary considers necessary to protect senior citizens  
10 against fraudulent telemarketing over the Internet.

11 (c) MEANS OF DISSEMINATION.—The Secretary shall  
12 determine the means to disseminate information under  
13 this section. In making such determination, the Secretary  
14 shall consider—

15 (1) public service announcements;

16 (2) a printed manual or pamphlet;

17 (3) an Internet website; and

18 (4) telephone outreach to individuals whose  
19 names appear on “mooch lists” confiscated from  
20 fraudulent telemarketers.

21 (d) PRIORITY.—In disseminating information under  
22 this section, the Secretary shall give priority to areas with  
23 high concentrations of senior citizens.

1 **SEC. 204. AUTHORITY TO ACCEPT GIFTS.**

2       The Secretary may accept, use, and dispose of uncon-  
3 ditional gifts, bequests, or devises of services or property,  
4 both real and personal, in order to carry out this title.

5 **SEC. 205. DEFINITION.**

6       For purposes of this title, the term “State” includes  
7 the District of Columbia, the Commonwealth of Puerto  
8 Rico, Guam, the Virgin Islands, American Samoa, and the  
9 Commonwealth of the Northern Mariana Islands.

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