

Mr. SCOTT of Virginia: Mr. Speaker, I yield myself such time as I may consume.

Reconstruction fraud has run rampant during the engagement of the U.S. forces in Iraq and Afghanistan. The United States has devoted more than \$50 billion to relief and reconstruction activities there, and at least \$8.8 billion cannot be accounted for.

Some of the reports of excessive profiteering are simply appalling. For example, one contractor was hired to build the Baghdad Police College, a facility to house and train more than 4,000 police recruits. After spending \$72 million of U.S. taxpayer money, the contractor delivered an engineering nightmare with so many plumbing problems that auditors from the Special Inspector General for Iraq Reconstruction said that during the visit a substance dripped from the ceiling onto an assessment team member's shirt.

It's not only construction. There are widely reported stories of contractors double-charging taxpayers for sodas and overcharging the government 600 percent for fuel shipments.

Another report has a company running convoys of empty trucks back and forth across an insurgent-laden desert, pointlessly risking the lives of soldiers and drivers so the company could charge the taxpayer for phantom deliveries. Truckers referred to their cargo as sailboat fuel.

Inspector Generals have opened hundreds of investigations into fraud and waste in Iraq and Kuwait and Afghanistan involving illegal kickbacks, bid-rigging, embezzlement and fraudulent overbilling.

The Special Inspector General for Iraq Reconstruction has more than 70 open and active investigations in contracting fraud and abuse in the war. In addition, private whistleblowers have filed numerous civil claims involving Iraq fraud under the False Claims Act.

Despite the breadth of all of these investigations and civil claims, the Department of Justice

has chosen to pursue a relatively small number of cases. To promote a more vigorous Department of Justice prosecution of reconstruction fraud, the gentleman from Hawaii (Mr. *Abercrombie*) has introduced H.R. 400, the War Profiteering Prevention Act of 2007.

Although there are anti-fraud laws to protect against waste of U.S. taxpayers' money at home, no law specifically prohibits war profiteering or expressly confers jurisdiction of U.S. courts to hear the fraud cases when our forces and reconstruction efforts are deployed overseas.

To clarify the full reach of the U.S. jurisdiction to appropriately punish this conduct wherever it may occur, H.R. 400 would criminalize overcharging taxpayers to profit excessively with the intent to defraud the United States Government or any provisional authority, such as the former Coalition Provisional Authority in Iraq.

This crime would be a felony, with criminal penalties up to \$1 million in fines and up to 20 years in prison. In addition to prohibiting fraud, H.R. 400 also criminalizes false statements in providing goods and services in connection with the war or reconstruction effort. This crime would also be a felony, subject to criminal penalties up to \$1 million and up to 10 years in prison.

The bill before us makes a few technical changes to the bill that was reported out of committee. Among them is a deletion of a provision providing for an alternative fund of twice the gross profits or other proceeds of the crime.

This alternative fund essentially duplicates and would possibly displace a stronger current provision in the law, section 3571(d) of title 18 of the U.S. code, which applies to all crimes.

But also note that the bill explicitly provides for an extraterritorial jurisdiction. The inclusion of this provision is meant to make it abundantly clear that this statute reaches war profiteering crimes wherever they may occur. However, it is not intended and should not be interpreted to undermine the extraterritorial reach of any other Federal criminal statute.

H.R. 400 sends a resounding warning, which I hope would be heard and taken to heart by all relief and reconstruction contractors doing business with the U.S. Government or any provisional authority operating under our control, that is, that contracting fraud not only undercuts our missions overseas, it is illegal. If you engage in it, you can expect to be vigorously prosecuted.

I urge my colleagues to support the bill.