

AMENDMENT TO H.R. 1227**OFFERED BY MR. PEARCE OF NEW MEXICO**

At the end of the bill, add the following new title:

1 **TITLE V—FRAUD IN**
2 **CONTRACTING**

3 **SEC. 501. PROHIBITION OF FRAUD IN CONTRACTING.**

4 (a) **PROHIBITED ACTS.**—It is unlawful for any per-
5 son to knowingly accept any thing of value in compensa-
6 tion for the provision of any goods or services in connec-
7 tion with reconstruction, relief, or recovery from, or assist-
8 ance for, a major disaster or emergency declared by the
9 President under the Robert T. Stafford Disaster Relief
10 and Emergency Assistance Act (42 U.S.C. 5121 et seq.),
11 within any area that, at the time of the offer or agreement,
12 is subject to a declaration by the President of such major
13 disaster or emergency if—

14 (1) such person has a principal place of busi-
15 ness in a State other than the State in which the
16 goods or services will be provided; and

17 (2) such person has failed to take reasonable
18 actions, before accepting such thing of value, to
19 verify access to existing resources sufficient to fully
20 provide such goods or services.

1 (b) PENALTY.—The punishment for an offense under
2 subsection (a) is a fine under title 18, United States Code,
3 imprisonment for not more than 3 years, or both.