

5/24/2007 - Reps. Sires And Biggert Introduce Legislation To Strengthen The FDIC

Bill protects the institution and consumers

For Immediate Release

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(Washington, D.C.) - Today, Congressman Albio Sires (D-NJ) and Congresswoman Judy Biggert (R-IL) introduced the FDIC Enforcement Enhancement Act, a bill that protects the good reputation of the Federal Insurance Deposit Corporation as well as the millions of consumers that trust the financial institution. This bill imposes penalties on companies that claim to be insured by the FDIC when they are not.

"For decades, the FDIC has instilled trust in the millions of Americans that deposit their hard earned money in our country's financial institutions and use lender services. Criminals are taking advantage of its good reputation to steal money from unwitting consumers. We must stop scams that make innocent people believe that the FDIC is protecting their investments," said Congressman Sires.

The FDIC has become aware of various schemes that defraud consumers by misrepresenting the insurance corporation. Criminals use the FDIC's name, logo, or abbreviation to suggest that the products they sell are insured by the FDIC. Many times, the victims of these crimes are the elderly.

The FDIC is powerless against perpetrators that operate outside the deposit insurance system. The FDIC Enforcement Enhancement Act will strengthen the FDIC enforcement powers by allowing it to enter cease and desist orders against this conduct and impose fines up to \$1,000,000 per day on any person who falsely represents the insurance corporation.

The FDIC Enforcement Enhancement Act would also allow the FDIC to file an injunction against the people or companies misrepresenting it under the rules of any federal, state, foreign court or competent jurisdiction.

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