

AMENDMENT

OFFERED BY MR. KNOTT OF NORTH CAROLINA

At the end of title IV, insert the following:

1 **SEC. 4___. PREVENTING, DETECTING, AND ADDRESSING**

2 **FRAUD IN REGISTRATION.**

3 (a) DEFINITIONS.—In this section:

4 (1) EXISTING USER.—The term “existing user”
5 means a motor carrier that has access to, is reg-
6 istered for, or is otherwise included in the registra-
7 tion system.

8 (2) FLAGGED USER.—The term “flagged user”
9 means a new user or existing user—

10 (A) the activity of which is flagged as sus-
11 picious by an automated system implemented
12 under subsection (b);

13 (B) with respect to which a discrepancy or
14 other suspicious matter is identified; or

15 (C) with respect to which the Administra-
16 tion receives a report or other notification of—

17 (i) failure to disclose a material fact;

18 (ii) fraud;

19 (iii) any activity indicative of fraud; or

1 (iv) any other suspicious activity per-
2 taining to the registration system.

3 (3) NEW USER.—The term “new user” means
4 a motor carrier or broker that first accesses or reg-
5 isters, or is first included in, the registration system.

6 (4) PERSON.—The term “person” has the
7 meaning given the term in section 13102 of title 49,
8 United States Code.

9 (5) REGISTRATION SYSTEM.—The term “reg-
10 istration system” means the system that the Admin-
11 istration uses to register motor carriers or brokers
12 as required under section 13908 of title 49, United
13 States Code.

14 (b) AUTOMATED SYSTEMS.—Not later than 1 year
15 after the date of enactment of this Act, the Administrator
16 shall develop and implement 1 or more automated systems
17 to flag suspicious activity in the registration system, or
18 by motor carriers, brokers, or other persons dealing with
19 the Administration, such as—

20 (1) rapid or unusual changes to motor carrier
21 or broker information;

22 (2) unusual registration patterns; or

23 (3) duplicate business identifiers.

24 (c) REVIEW OF FLAGGED USERS.—

1 (1) IN GENERAL.—The Administrator shall es-
2 tablish a process to review each flagged user to de-
3 termine whether that user engaged in fraud with re-
4 spect to the registration system.

5 (2) REQUIREMENTS.—A review under para-
6 graph (1) shall—

7 (A) begin immediately on—

8 (i) the flagging of suspicious activity
9 by an automated system implemented
10 under subsection (b);

11 (ii) the identification of any discrep-
12 ancy or other suspicious matter; or

13 (iii) the receipt of a report or other
14 notification described in subsection
15 (a)(3)(C); and

16 (B) include an audit of the flagged user, if
17 appropriate or necessary to resolve the review.

18 (3) SUSPENSION.—

19 (A) IN GENERAL.—The Administrator
20 may—

21 (i) temporarily suspend the registra-
22 tion of any flagged user in the registration
23 system during a review under paragraph
24 (1); or

1 (ii) note in any record of the Adminis-
2 tration, including a public record published
3 on the registration system, that a review of
4 the applicable flagged user is ongoing.

5 (B) REQUIREMENT.—If the Administrator
6 temporarily suspends a registration of a flagged
7 user under subparagraph (A)(i), the Adminis-
8 trator shall provide to the flagged user a period
9 of not less than 30 days to respond to and ad-
10 dress any problems identified by the Adminis-
11 trator for purposes of resolving the review.

12 (4) REMOVAL AND OTHER PENALTIES.—

13 (A) IN GENERAL.—On a determination
14 that a motor carrier, broker, or any other per-
15 son has failed to disclose a material fact, sub-
16 mitted fraudulent information, or committed
17 fraud with respect to the registration system,
18 the Administrator shall, as the Administrator
19 determines to be appropriate—

20 (i) remove the person from the public
21 view of the registration system;

22 (ii) remove the ability of the person to
23 access the registration system; or

1 (iii) suspend or revoke the authority
2 of the person to operate as a motor carrier,
3 broker, or otherwise.

4 (B) REQUIREMENT.—If the Administrator
5 takes an action described in subparagraph
6 (A)(iii), the Administrator shall maintain the
7 information of the applicable person in the reg-
8 istration system to assist the Administrator in
9 identifying future fraudulent activities of the
10 person.

11 (d) RECORDS UPDATES.—Any update to a record in
12 the registration system under this section—

13 (1) shall be made instantaneously, or as near
14 instantaneously as possible, with respect to the de-
15 termination relating to the update; and

16 (2) shall not be made unless the person request-
17 ing the update verifies that the person is authorized
18 to request the update.

19 (e) GUIDANCE.—

20 (1) IN GENERAL.—Not later than 90 days after
21 the date of enactment of this Act, the Administrator
22 shall issue to motor carriers and brokers guidance
23 about how to protect against fraudulent activities.

1 (2) UPDATES.—The Administrator shall update
2 the guidance issued under paragraph (1) as appro-
3 priate to improve awareness of fraudulent activities.

