

Union Calendar No. 415

115TH CONGRESS
2D SESSION

H. R. 4768

[Report No. 115–553]

To require the President to develop a national strategy to combat the financial networks of transnational organized criminals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2018

Mr. KUSTOFF of Tennessee (for himself and Ms. SINEMA) introduced the following bill; which was referred to the Committee on Financial Services

FEBRUARY 13, 2018

Additional sponsors: Ms. TENNEY and Mr. MESSER

FEBRUARY 13, 2018

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To require the President to develop a national strategy to combat the financial networks of transnational organized criminals, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Strategy for
 5 Combating the Financing of Transnational Criminal Or-
 6 ganizations Act”.

7 **SEC. 2. NATIONAL STRATEGY.**

8 (a) IN GENERAL.—The President, acting through the
 9 Secretary of the Treasury, shall, in consultation with the
 10 Attorney General, the Secretary of State, the Secretary
 11 of Homeland Security, the Director of National Intel-
 12 ligence, the Secretary of Defense, ~~the Director~~ *the Director*
 13 *of the Financial Crimes Enforcement Network, the Director*
 14 *of the United States Secret Service, the Director of the Fed-*
 15 *eral Bureau of Investigation, the Administrator* of the
 16 Drug Enforcement Administration, the Commissioner of
 17 Customs and Border Protection, the Director of the Office
 18 of National Drug Control Policy, and the Federal func-
 19 tional regulators, develop a national strategy to combat
 20 the financial networks of transnational organized crimi-
 21 nals.

22 (b) TRANSMITTAL TO CONGRESS.—

23 (1) IN GENERAL.—Not later than one year
 24 after the enactment of this Act, the President shall
 25 submit to the appropriate Congressional committees

1 and make available to the relevant government agen-
2 cies as defined in subsection (a), a comprehensive
3 national strategy in accordance with subsection (a).

4 (2) UPDATES.—After the initial submission of
5 the national strategy under paragraph (1), the
6 President shall, not less often than every 2 years,
7 update the national strategy and submit the updated
8 strategy to the appropriate Congressional commit-
9 tees.

10 (c) SEPARATE PRESENTATION OF CLASSIFIED MA-
11 TERIAL.—Any part of the national strategy that involves
12 information that is properly classified under criteria estab-
13 lished by the President shall be submitted to Congress sep-
14 arately in a classified annex and, if requested by the chair-
15 man or ranking member of one of the appropriate Con-
16 gressional committees, as a briefing at an appropriate level
17 of security.

18 **SEC. 3. CONTENTS OF NATIONAL STRATEGY.**

19 The national strategy described in section 2 shall con-
20 tain the following:

21 (1) THREATS.—An identification and assess-
22 ment of the most significant current transnational
23 organized crime threats posed to the national secu-
24 rity of the United States *or to the U.S. and inter-*
25 *national financial system*, including drug and human

1 trafficking organizations, cyber criminals,
2 *kleptocrats*, and other relevant *state and non-state*
3 entities, including those *threats* identified in the
4 President’s “Strategy to Combat Transnational Or-
5 ganized Crime” (published July 2011).

6 (2) ILLICIT FINANCE.—(A) An identification of
7 individuals, entities, and networks (*including ter-*
8 *rorist organizations, if any*) that provide financial
9 support or financial facilitation to transnational or-
10 ganized crime groups, and an assessment of the
11 scope and role of those providing financial support
12 to transnational organized crime groups.

13 (B) An assessment of methods by which
14 transnational organized crime groups launder illicit
15 proceeds, including *money laundering using real es-*
16 *tate and other tangible goods such as art and antiq-*
17 *uities*, trade-based money laundering, bulk cash
18 smuggling, exploitation of shell companies, and mis-
19 use of digital currencies and other cyber tech-
20 nologies, as well as an assessment of the risk to the
21 financial system of the United States of such meth-
22 ods.

23 (3) GOALS, OBJECTIVES, PRIORITIES, AND AC-
24 TIONS.—(A) A comprehensive, research-based, ~~quan-~~
25 ~~tifiable~~ *quantifiable* discussion of short-term and long-term goals,

1 objectives, priorities, and actions, listed for each de-
2 partment and agency described under section 2(a),
3 for combating the financing of transnational orga-
4 nized crime groups and their facilitators.

5 (B) A description of how the strategy is inte-
6 grated into, and supports, the national security
7 strategy, drug control strategy, and counterterrorism
8 strategy of the United States.

9 (4) **REVIEWS AND PROPOSED CHANGES.**—A re-
10 view of current efforts to combat the financing or fi-
11 nancial facilitation of transnational organized crime,
12 including efforts to detect, deter, disrupt, and pros-
13 ecute transnational organized crime groups and their
14 supporters, and, if appropriate, proposed changes to
15 any law or regulation determined to be appropriate
16 to ensure that the United States pursues coordi-
17 nated and effective efforts within the jurisdiction of
18 the United States, including efforts or actions that
19 are being taken or can be taken by financial institu-
20 tions, efforts in cooperation with international part-
21 ners of the United States, and efforts that build
22 partnerships and global capacity to combat
23 transnational organized crime.

24 **SEC. 4. DEFINITIONS.**

25 In this Act:

1 (1) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term “appropriate congressional com-
3 mittees” means—

4 (A) the Committee on Financial Services,
5 the Committee on Foreign Affairs, the Com-
6 mittee on Armed Services, the Committee on
7 the Judiciary, the Committee on Homeland Se-
8 curity, and the Permanent Select Committee on
9 Intelligence of the House of Representatives;
10 and

11 (B) the Committee on Banking, Housing,
12 and Urban Affairs, the Committee on Foreign
13 Relations, the Committee on Armed Services,
14 the Committee on the Judiciary, the Committee
15 on Homeland Security and Governmental Af-
16 fairs, and the Select Committee on Intelligence
17 of the Senate.

18 (2) FEDERAL FUNCTIONAL REGULATOR.—The
19 term “Federal functional regulator” has the mean-
20 ing given that term in section 509 of the Gramm-
21 Leach-Bliley Act (15 U.S.C. 6809).

22 (3) TRANSNATIONAL ORGANIZED CRIME.—The
23 term “transnational organized crime” refers to those
24 self-perpetuating associations of individuals who op-
25 erate transnationally for the purpose of obtaining

1 power, influence, monetary or commercial gains,
2 wholly or in part by illegal means, while—

3 (A) protecting their activities through a
4 pattern of corruption or violence; or

5 (B) while protecting their illegal activities
6 through a transnational organizational struc-
7 ture and the exploitation of transnational com-
8 merce or communication mechanisms.

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