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(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R.

To amend title 31, United States Code, to authorize of the Secretary of the Treasury to place prohibitions or conditions on certain transmittals of funds in connection with jurisdictions, financial institutions, international transactions, or types of accounts of primary money laundering concern.

IN THE HOUSE OF REPRESENTATIVES

Mr. HIMES introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend title 31, United States Code, to authorize of the Secretary of the Treasury to place prohibitions or conditions on certain transmittals of funds in connection with jurisdictions, financial institutions, international transactions, or types of accounts of primary money laundering concern.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Special Measures to
3 Fight Modern Threats Act”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

6 (1) The Financial Crimes Enforcement Net-
7 work (FinCEN) is the Financial Intelligence Unit of
8 the United States tasked with safeguarding the fi-
9 nancial system from illicit use, combating money
10 laundering and its related crimes including ter-
11 rorism, and promoting national security.

12 (2) Per statute, FinCEN may require domestic
13 financial institutions and financial agencies to take
14 certain “special measures” against jurisdictions, in-
15 stitutions, classes of transactions, or types of ac-
16 counts determined to be of primary money laun-
17 dering concern, providing the Secretary with a range
18 of options, such as enhanced record-keeping, that
19 can be adapted to target specific money laundering
20 and terrorist financing and to bring pressure on
21 those that pose money laundering threats.

22 (3) This special-measures authority was grant-
23 ed in 2001, when most cross-border transactions oc-
24 curred through correspondent or payable-through ac-
25 counts held with large financial institutions which

1 serve as intermediaries to facilitate financial trans-
2 actions on behalf of other banks.

3 (4) Innovations in financial services have trans-
4 formed and expanded methods of cross-border trans-
5 actions that could not have been envisioned 20 years
6 ago when FinCEN was given its special-measures
7 authority.

8 (5) These innovations, particularly through dig-
9 ital assets and informal value transfer systems, while
10 useful to legitimate consumers and law enforcement,
11 can be tools abused by bad actors like sanctions
12 evaders, fraudsters, money launderers, and those
13 who commit ransomware attacks on victimized U.S.
14 companies and which abuse the financial system to
15 move and obscure the proceeds of their crimes.

16 (6) Ransomware attacks on U.S. companies re-
17 quiring payments in cryptocurrencies have increased
18 in recent years, with the U.S. Treasury estimating
19 that ransomware payments in the United States
20 reached \$590 million in just the first half of 2021,
21 compared to a total of \$416 million in 2020.

22 (7) In July 2021, the White House, with sup-
23 port of U.S. allies, asserted that the People's Repub-
24 lic of China was responsible for ransomware oper-
25 ations against private companies that included de-

1 mands of millions of dollars, including the 2021
2 ransomware attacks that breached Microsoft email
3 systems and affected thousands of consumers, State
4 and local municipalities, and government contractors
5 attributed to a cyber espionage group with links to
6 the Chinese Ministry of State Security.

7 (8) As ransomware attacks organized by Chi-
8 nese and other foreign bad actors continue to grow
9 in size and scope, modernizing FinCEN’s special
10 measure authorities will empower FinCEN to adapt
11 its existing tools, monitor and obstruct global finan-
12 cial threats, and meet the challenges of combating
13 21st century financial crime.

14 **SEC. 3. PROHIBITIONS OR CONDITIONS ON CERTAIN**
15 **TRANSMITTALS OF FUNDS.**

16 Section 5318A of title 31, United States Code, is
17 amended—

18 (1) in subsection (a)(2)(C), by striking “sub-
19 section (b)(5)” and inserting “paragraphs (5) and
20 (6) of subsection (b)”; and

21 (2) in subsection (b)—

22 (A) in paragraph (5), by striking “for on
23 behalf of a foreign banking institution”; and

24 (B) by adding at the end the following:

1 “(6) PROHIBITIONS OR CONDITIONS ON CER-
2 TAIN TRANSMITTALS OF FUNDS.—If the Secretary
3 finds a jurisdiction outside of the United States, 1
4 or more financial institutions operating outside of
5 the United States, 1 or more types of accounts with-
6 in, or involving, a jurisdiction outside of the United
7 States, or 1 or more classes of transactions within,
8 or involving, a jurisdiction outside of the United
9 States to be of primary money laundering concern,
10 the Secretary, in consultation with the Secretary of
11 the State, the Attorney General, and the Chairman
12 of the Board of Governors of the Federal Reserve
13 System, may prohibit, or impose conditions upon
14 certain transmittals of funds (as such term may be
15 defined by the Secretary in a special measure
16 issuance, by regulation, or as otherwise permitted by
17 law), to or from any domestic financial institution or
18 domestic financial agency if such transmittal of
19 funds involves any such jurisdiction, institution, type
20 of account, or class of transaction.”.