

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 6721  
OFFERED BY MR. BUDD OF NORTH CAROLINA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “FinCEN Moderniza-  
3 tion Act of 2018”.

**4 SEC. 2. MODERNIZING THE RESEARCH, DEVELOPMENT, IN-  
5 FORMATION SHARING, AND ACQUISITION  
6 PROCESS AUTHORITIES OF THE FINANCIAL  
7 CRIMES ENFORCEMENT NETWORK (FINCEN).**

8 Section 310 of title 31, United States Code, is  
9 amended by adding at the end the following:

10 “(e) MODERNIZING THE RESEARCH, DEVELOPMENT,  
11 INFORMATION SHARING, AND ACQUISITION PROCESS.—

12 “(1) IN GENERAL.—FinCEN shall establish  
13 and maintain research, development, and informa-  
14 tion sharing programs that further the purposes and  
15 objectives of the laws administered by FinCEN, in-  
16 cluding programs that—

17 “(A) inform FinCEN of important techno-  
18 logical advances and innovations like machine

1 learning and data analytics that help safeguard  
2 financial systems and detect illicit activity;

3 “(B) facilitate an environment where these  
4 technological advances and innovations may be  
5 explored by developers and FinCEN to evaluate  
6 potential benefits for the financial industry;

7 “(C) identify areas where FinCEN should  
8 adapt to facilitate these technological advances  
9 and innovations, and encourage the develop-  
10 ment of novel tools that are currently not avail-  
11 able for use by FinCEN that would benefit fi-  
12 nancial systems monitored by FinCEN;

13 “(D) ensure that FinCEN has the nec-  
14 essary technology to monitor cryptocurrencies  
15 and other emerging financial technologies for  
16 their potential use in money laundering and  
17 cyber and data security breaches; and

18 “(E) facilitate FinCEN’s ability to ex-  
19 change and use information between other of-  
20 fices and bureaus of the Department of the  
21 Treasury, as well as other departments within  
22 the Federal Government.

23 “(2) AUTHORIZED MEANS.—Notwithstanding  
24 any other provision of law, FinCEN may do the fol-

1       lowing to accomplish the requirements described in  
2       paragraph (1):

3               “(A) OTHER TRANSACTION AUTHORITY.—  
4       FinCEN may enter into and perform trans-  
5       actions (other than a standard contract) with  
6       any agency or instrumentality of the United  
7       States, or with any State, territory, or posses-  
8       sion of the United States, or with any political  
9       subdivision thereof, or with any person, firm,  
10      association, corporation, educational institution,  
11      self-regulatory organization, foreign govern-  
12      ment, international organization, or other enti-  
13      ty, on such terms and conditions as the Direc-  
14      tor of FinCEN determines appropriate if—

15              “(i) the transaction is used only for  
16              the requirements described in paragraph  
17              (1);

18              “(ii) FinCEN endeavors to use a com-  
19              petitive process, where appropriate, when  
20              determining the parties to the transaction;  
21              and

22              “(iii) the Director makes a written de-  
23              termination that using a standard contract  
24              to do so is either not feasible or not appro-  
25              priate.

1           “(B) GIFT ACCEPTANCE AUTHORITY.—  
2           During the 5-year period that begins with the  
3           date of enactment of this subsection, FinCEN  
4           may solicit, accept, and utilize any contribution,  
5           provision of access, gift, or donation of tangible  
6           or intangible property or service that the Direc-  
7           tor determines appropriate, from any agency or  
8           instrumentality of the United States, or any  
9           State, territory, or possession of the United  
10          State, or any political subdivision thereof, or  
11          any person, firm, association, corporation, edu-  
12          cational institution, self-regulatory organization,  
13          or other entity, if—

14                 “(i) the property or service is used  
15                 only for the requirements described in  
16                 paragraph (1); and

17                 “(ii) the Director makes a written de-  
18                 termination that accepting the contribu-  
19                 tion, provision of access, gift, or donation  
20                 is consistent with fulfilling such require-  
21                 ments, and that using the standard con-  
22                 tract or other transaction to do so is nei-  
23                 ther feasible or appropriate

24           “(3) ANNUAL REPORT.—Not later than 60 days  
25          after the end of each fiscal year, FinCEN shall sub-

1 mit to the Committee on Banking, Housing, and  
2 Urban Affairs of the Senate and the Committee on  
3 Financial Services of the House of Representatives  
4 a report on all transactions entered into, and all  
5 contributions, provisions of access, gifts, or dona-  
6 tions accepted under paragraph (2), including—

7 “(A) a list of each transaction, contribu-  
8 tion, provision of access, gift, or donation, with  
9 an explanation of its potential utility to  
10 FinCEN;

11 “(B) in the case of a transaction other  
12 than a contribution, provision of access, gift, or  
13 donation, an explanation of FinCEN’s efforts to  
14 use a competitive process, or the reason why  
15 such a process was not appropriate; and

16 “(C) a description of all sums expended by  
17 FinCEN in connection with a transaction and,  
18 if readily available, the value of any contribu-  
19 tion, provision of access, gift, or donation.”.

