

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To require the Director of the Financial Crimes Enforcement Network to produce and distribute educational materials designed to help Federal, State, local and Tribal agencies responsible for distributing public benefits to understand, identify, and avoid fraud, particularly fraud that includes that involves terrorist financing schemes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To require the Director of the Financial Crimes Enforcement Network to produce and distribute educational materials designed to help Federal, State, local and Tribal agencies responsible for distributing public benefits to understand, identify, and avoid fraud, particularly fraud that includes that involves terrorist financing schemes, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fraud and Terrorism
3 Education Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) Terrorists, including domestic extremists,
7 use a variety of avenues to finance radicalization, re-
8 cruitment, training, and operations.

9 (2) A report issued by the Royal United Serv-
10 ices Institute for Defense and Security Studies
11 (RUSI) in January 2021 confirmed that fraud is
12 used by extremist actors as an avenue for financing
13 radicalization, recruitment, training, and operations.

14 (3) There are many types of fraud used by bad
15 actors to finance activities. For example, public ben-
16 efits fraud is common and may be used by bad ac-
17 tors. The State of Washington lost \$600 million to
18 fraudulent unemployment claims in the spring of
19 2020 and there are cases of foreign-inspired ter-
20 rorism supporters using benefits fraud to finance ac-
21 tivities.

22 (4) If States better understand the use of fraud
23 in national security or terrorism cases, learn how to
24 recognize potential incidents tied to terrorism, and
25 know where to swiftly report such fraud, it may be
26 possible for the appropriate authorities to respond

1 more quickly and to prevent domestic terrorism and
2 extremism.

3 **SEC. 3. EDUCATIONAL MATERIALS.**

4 (a) IN GENERAL.—Not later than 1 year after the
5 date of the enactment of this section, the Director of the
6 Financial Crimes Enforcement Network (in this section
7 referred to as the “Director”) shall produce educational
8 materials designed to help Federal, State, local and Tribal
9 agencies responsible for distributing public benefits to—

10 (1) better understanding the national-security
11 implications of some fraud cases; and

12 (2) identify and avoid fraud, particularly fraud
13 that involves terrorist financing schemes.

14 (b) CONTENTS OF EDUCATIONAL MATERIALS.—The
15 educational materials produced by the Director pursuant
16 to subsection (a) shall include information about—

17 (1) the ways in which terrorists, including do-
18 mestic extremists, use fraud to finance their activi-
19 ties, including radicalization, recruitment, training,
20 and operations;

21 (2) how to identify terrorist financing
22 vulnerabilities in public benefits programs;

23 (3) tools, techniques, and red flags that can
24 help identify fraud cases with a national security

1 nexus, including Internet Protocol address moni-
2 toring and the use of geolocation tools; and

3 (4) how to report fraud cases which may involve
4 terrorism financing schemes to the appropriate fed-
5 eral authorities.

6 (c) CONSULTATION.—The Director shall consult with
7 the Director of the Bureau of Consumer Financial Protec-
8 tion, the Director of the Federal Bureau of Investigation,
9 State law enforcement agencies, and other Federal agen-
10 cies as the Director determines appropriate when pro-
11 ducing educational materials pursuant to subsection (a).

12 (d) DISTRIBUTION.— The Director shall distribute
13 the educational materials produced pursuant to subsection
14 (a) to Federal, State, local and Tribal agencies responsible
15 for distributing public benefits, as determined by the Di-
16 rector.