

115TH CONGRESS
1ST SESSION

H. R. 3321

To require the establishment of a national strategy for combating the financing of terrorism and related financial crimes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2017

Mr. BUDD (for himself, Ms. SINEMA, and Mr. PEARCE) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the establishment of a national strategy for combating the financing of terrorism and related financial crimes, 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 Terrorist, Underground, and Other Illicit Fi-
6 nancing Act”.

7 **SEC. 2. FINDINGS.**

8 The Congress finds the following:

1 (1) The financing of terrorism and related
2 forms of illicit finance present a direct threat to na-
3 tional security and a threat to global stability.

4 (2) New terrorist groups or threats can form
5 quickly, and other groups change tactics to adapt,
6 creating a constantly changing terrorist environ-
7 ment, presenting ever-changing risks and challenges
8 to programs to disrupt the financing of terrorism
9 and related forms of illicit finance.

10 (3) Terrorists in some instances have formed
11 symbiotic relationships with, or are taking over,
12 transnational crime syndicates, so that funding for
13 both terrorism and profits from crime flow in the
14 same fashion and often are indistinguishable.

15 (4) Methods of concealing the movement of il-
16 licit funding change quickly in a globalized economy,
17 and rapid technological changes and financial inno-
18 vation pose new risks that may be increasingly dif-
19 ficult for governments to stay abreast of without an
20 agile, constantly adjusted strategy to spot, disrupt,
21 and prevent the financing of terrorism and related
22 forms of illicit finance.

23 (5) A bipartisan requirement to create a na-
24 tional anti-money laundering strategy enacted in
25 1998 expired in 2007. Given the rapid globalization

1 and rapid technology changes of the financial sector,
2 an updated strategy focused on the financing of ter-
3 rorism is necessary.

4 (6) It is important for the Government to have
5 a unified strategy to fight financial crime and to up-
6 date it annually, both to accommodate new and de-
7 veloping threats and to help Congress develop legis-
8 lative and funding priorities.

9 (7) An effective strategy to counter terrorism
10 financing is a critical component of the broader
11 counter terrorism strategy of the United States.

12 **SEC. 3. DEVELOPMENT OF NATIONAL STRATEGY.**

13 (a) IN GENERAL.—The President, acting through the
14 Secretary shall, in consultation with the Attorney General,
15 the Secretary of State, the Secretary of Homeland Secu-
16 rity, the Director of National Intelligence, and the appro-
17 priate Federal banking agencies, develop a national strat-
18 egy for combating the financing of terrorism and related
19 forms of illicit finance.

20 (b) TRANSMITTAL TO CONGRESS.—

21 (1) IN GENERAL.—Not later than 1 year after
22 the date of the enactment of this Act, the President
23 shall submit to the appropriate congressional com-
24 mittees a comprehensive national strategy developed
25 in accordance with subsection (a).

1 (2) UPDATES.—Every 2 years following the ini-
2 tial submission under paragraph (1), the President
3 shall submit to the appropriate congressional com-
4 mittees updated versions of the national strategy.

5 (c) SEPARATE PRESENTATION OF CLASSIFIED MA-
6 TERIAL.—Any part of the national strategy that involves
7 information that is properly classified under criteria estab-
8 lished by the President shall be submitted to the Congress
9 separately in a classified annex and, if requested by the
10 chairman or ranking Member of one of the appropriate
11 congressional committees, as a briefing at an appropriate
12 level of security.

13 **SEC. 4. CONTENTS.**

14 (a) IN GENERAL.—The strategy described in section
15 3 shall contain the following:

16 (1) EVALUATION OF EXISTING EFFORTS.—An
17 assessment of the effectiveness of and ways in which
18 the United States is currently addressing the highest
19 levels of risk of various forms of illicit finance, in-
20 cluding those identified in the documents entitled
21 “2015 National Money Laundering Risk Assess-
22 ment” and “2015 National Terrorist Financing Risk
23 Assessment”, published by the Department of the
24 Treasury and a description of how the strategy is in-

1 tegrated into, and supports, the broader counter ter-
2 rorism strategy of the United States.

3 (2) GOALS, OBJECTIVES, AND PRIORITIES.—A
4 comprehensive, research-based, long-range, quantifi-
5 able discussion of goals, objectives, and priorities for
6 disrupting and preventing illicit finance activities
7 within and transiting the financial system of the
8 United States that outlines priorities to reduce the
9 incidence, dollar value, and effects of illicit finance.

10 (3) THREATS.—An identification of the most
11 significant illicit finance threats to the financial sys-
12 tem of the United States.

13 (4) REVIEWS AND PROPOSED CHANGES.—Re-
14 views of enforcement efforts, relevant regulations
15 and relevant provisions of law and, if appropriate,
16 discussions of proposed changes determined to be
17 appropriate to ensure that the United States pur-
18 sues coordinated and effective efforts at all levels of
19 government, and with international partners of the
20 United States, in the fight against illicit finance.

21 (5) DETECTION AND PROSECUTION INITIA-
22 TIVES.—A description of efforts to improve detection
23 and prosecution of illicit finance, including efforts to
24 ensure that—

1 (A) subject to legal restrictions, all appro-
2 priate data collected by the Federal Govern-
3 ment that is relevant to the efforts described in
4 this section be available in a timely fashion to—

5 (i) all appropriate Federal depart-
6 ments and agencies; and

7 (ii) as appropriate and consistent with
8 section 314 of the International Money
9 Laundering Abatement and Financial
10 Anti-Terrorism Act of 2001 (31 U.S.C.
11 5311 note), financial institutions to assist
12 the financial institutions in efforts to com-
13 ply with laws aimed at curbing illicit fi-
14 nance; and

15 (B) appropriate efforts are undertaken to
16 ensure that Federal departments and agencies
17 charged with reducing and preventing illicit fi-
18 nance make thorough use of publicly available
19 data in furtherance of this effort.

20 (6) THE ROLE OF THE PRIVATE FINANCIAL
21 SECTOR IN PREVENTION OF ILLICIT FINANCE.—A
22 discussion of ways to enhance partnerships between
23 the private financial sector and Federal departments
24 and agencies with regard to the prevention and de-
25 tection of illicit finance, including—

1 (A) efforts to facilitate compliance with
2 laws aimed at stopping such illicit finance while
3 maintaining the effectiveness of such efforts;
4 and

5 (B) providing guidance to strengthen inter-
6 nal controls and to adopt on an industry-wide
7 basis more effective policies.

8 (7) ENHANCEMENT OF INTERGOVERNMENTAL
9 COOPERATION.—A discussion of ways to combat il-
10 licit finance by enhancing—

11 (A) cooperative efforts between and among
12 Federal, State, and local officials, including
13 State regulators, State and local prosecutors,
14 and other law enforcement officials; and

15 (B) cooperative efforts with and between
16 governments of countries and with and between
17 multinational institutions, including the Finan-
18 cial Action Task Force, with expertise in fight-
19 ing illicit finance.

20 (8) TREND ANALYSIS OF EMERGING ILLICIT FI-
21 NANCE THREATS.—A discussion of and data regard-
22 ing trends in illicit finance, including evolving forms
23 of value transfer such as so-called cryptocurrencies,
24 other methods that are computer, telecommuni-

1 cations, or Internet-based, cyber crime, or any other
2 threats that the Secretary may choose to identify.

3 (9) BUDGET PRIORITIES.—A multiyear budget
4 plan that identifies sufficient resources needed to
5 successfully execute the full range of missions called
6 for in this section.

7 (10) TECHNOLOGY ENHANCEMENTS.—An anal-
8 ysis of current and developing ways to leverage tech-
9 nology to improve the effectiveness of efforts to stop
10 the financing of terrorism and other forms of illicit
11 finance, including better integration of open-source
12 data.

13 **SEC. 5. DEFINITIONS.**

14 In this Act—

15 (1) the term “appropriate congressional com-
16 mittees” means—

17 (A) the Committee on Financial Services,
18 the Committee on Foreign Affairs, the Com-
19 mittee on Armed Services, the Committee on
20 the Judiciary, the Committee on Homeland Se-
21 curity, and the Permanent Select Committee on
22 Intelligence of the House of Representatives;
23 and

24 (B) the Committee on Banking, Housing,
25 and Urban Affairs, the Committee on Foreign

1 Relations, the Committee on Armed Services,
2 the Committee on the Judiciary, the Committee
3 on Homeland Security and Governmental Af-
4 fairs, and the Select Committee on Intelligence
5 of the Senate;

6 (2) the term “illicit finance” means the financ-
7 ing of terrorism, money laundering, or other forms
8 of illicit financing domestically or internationally, as
9 defined by the President;

10 (3) the term “Secretary” means the Secretary
11 of the Treasury; and

12 (4) the term “State” means each of the several
13 States, the District of Columbia, and each territory
14 or possession of the United States.

○