

118TH CONGRESS
1ST SESSION

H. R. 3244

To provide authority to the Secretary of the Treasury to take special measures against certain entities outside of the United States of primary money laundering concern in connection with illicit fentanyl and narcotics financing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2023

Mr. LUTKEMEYER (for himself, Mr. NUNN of Iowa, Mr. BARR, and Mrs. KIM of California) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide authority to the Secretary of the Treasury to take special measures against certain entities outside of the United States of primary money laundering concern in connection with illicit fentanyl and narcotics financing, 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 “Stop Fentanyl Money
5 Laundering Act of 2023”.

1 **SEC. 2. GAO STUDY ON DESIGNATION OF MEXICAN CAR-**
2 **TELS AS FOREIGN TERRORIST ORGANIZA-**
3 **TIONS.**

4 (a) FINDINGS.—The Congress finds the following:

5 (1) Entities placed on the list of Foreign Ter-
6 rorist Organizations maintained by the Secretary of
7 State are suspected of engaging in terrorism-related
8 activities.

9 (2) By designating an entity to be placed on the
10 list of Foreign Terrorist Organizations, the United
11 States seeks to limit the entity's financial, property,
12 and travel interests.

13 (3) Per section 219 of the Immigration and Na-
14 tionality Act, as amended by section 302 of the
15 Antiterrorism and Effective Death Penalty Act of
16 1996, the Secretary of State must demonstrate that
17 an entity of concern has met the following three cri-
18 teria to allow the Secretary to designate the entity
19 as a Foreign Terrorist Organization:

20 (A) The entity is a foreign organization.

21 (B) The entity engages in or retains the
22 capability and intent to engage in terrorism.

23 (C) The entity threatens the security of
24 U.S. nationals or the national defense, foreign
25 relations, or the economic interests of the
26 United States.

1 (b) STUDY.—The Comptroller General of the United
2 States, in consultation with the Secretary of State, shall
3 carry out a study on the implications of the Secretary of
4 State designating Mexican drug cartels as foreign terrorist
5 organizations under section 219 of the Immigration and
6 Nationality Act (8 U.S.C. 1189).

7 (c) CONTENTS.—In carrying out the study required
8 under subsection (b), the Comptroller General shall—

9 (1) review any analyses conducted by Federal
10 agencies pertaining to designating Mexican drug car-
11 tels as foreign terror organizations; and

12 (2) consider how such a determination would
13 bolster the Foreign Narcotics Kingpin Designation
14 Act.

15 (d) REPORT.—Not later than the end of the 1-year
16 period beginning on the date of enactment of this Act, the
17 Comptroller General shall issue a report to the Congress
18 containing—

19 (1) all findings and determinations made in car-
20 rying out the study required under subsection (b);
21 and

22 (2) a comprehensive analysis of the strategic
23 benefits and potential risks that designating Mexican
24 drug cartels as foreign terrorist organizations would
25 provide in thwarting the current fentanyl crisis, and

1 how the United States could alleviate possible
2 downsides of the designation.

3 **SEC. 3. DETERMINATION WITH RESPECT TO PRIMARY**
4 **MONEY LAUNDERING CONCERN OF ILLICIT**
5 **FENTANYL AND NARCOTICS FINANCING.**

6 (a) IN GENERAL.—If the Secretary of the Treasury
7 determines that one or more financial institutions oper-
8 ating outside of the United States, or one or more classes
9 of transactions within, or involving, a jurisdiction outside
10 of the United States, or one or more types of accounts
11 within, or involving, a jurisdiction outside of the United
12 States is of primary money laundering concern in connec-
13 tion with illicit fentanyl and narcotics financing, the Sec-
14 retary of the Treasury may, by order, regulation, or other-
15 wise as permitted by law, require domestic financial insti-
16 tutions and domestic financial agencies to take one or
17 more of the special measures described in section
18 5318A(b) of title 31, United States Code.

19 (b) CLASSIFIED INFORMATION.—In any judicial re-
20 view of a finding of the existence of a primary money laun-
21 dering concern, or of the requirement for 1 or more special
22 measures with respect to a primary money laundering con-
23 cern made under this section, if the designation or imposi-
24 tion, or both, were based on classified information (as de-
25 fined in section 1(a) of the Classified Information Proce-

1 dures Act (18 U.S.C. App.)), such information may be
2 submitted by the Secretary of the Treasury to the review-
3 ing court ex parte and in camera. This subsection does
4 not confer or imply any right to judicial review of any find-
5 ing made or any requirement imposed under this section.

6 (c) AVAILABILITY OF INFORMATION.—The exemp-
7 tions from, and prohibitions on, search and disclosure re-
8 ferred to in section 9714(e) of the National Defense Au-
9 thorization Act for Fiscal Year 2021 (Public Law 116–
10 283; 31 U.S.C. 5318A note) shall apply to any report or
11 record of report filed pursuant to a requirement imposed
12 under subsection (a). For purposes of section 552 of title
13 5, United States Code, this section shall be considered a
14 statute described in subsection (b)(3)(B) of that section.

15 (d) PENALTIES.—The penalties referred to in section
16 9714(d) of the National Defense Authorization Act for
17 Fiscal Year 2021 (Public Law 116–283; 31 U.S.C. 5318A
18 note) shall apply to violations of any order, regulation,
19 special measure, or other requirement imposed under sub-
20 section (a), in the same manner and to the same extent
21 as described in such section 9714(d).

22 (e) INJUNCTIONS.—The Secretary of the Treasury
23 may bring a civil action to enjoin a violation of any order,
24 regulation, special measure, or other requirement imposed
25 under subsection (a) in the same manner and to the same

1 extent as described in section 9714(e) of the National De-
2 fense Authorization Act for Fiscal Year 2021 (Public Law
3 116–283; 31 U.S.C. 5318A note).

4 (f) DEFINITIONS.—In this section, the terms “domes-
5 tic financial agency”, “domestic financial institution”, “fi-
6 nancial agency”, and “financial institution” have the
7 meanings given those terms as used in section 9714 of
8 the National Defense Authorization Act for Fiscal Year
9 2021 (Public Law 116–283; 31 U.S.C. 5318A note).

10 **SEC. 4. TRADE-BASED MONEY LAUNDERING ADVISORY.**

11 Not later than one year following the date of the en-
12 actment of this Act, the Financial Crimes Enforcement
13 Network shall update and issue a new advisory to financial
14 institutions on identifying Chinese professional money
15 laundering facilitating the trafficking of fentanyl and
16 other synthetic opioids. Such advisory shall incorporate
17 the following advisories:

18 (1) FIN–2014–A005, entitled “Update on U.S.
19 Currency Restrictions in Mexico: Funnel Accounts
20 and TBML”;

21 (2) FIN–2010–A001, entitled “Advisory to Fi-
22 nancial Institutions on Filing Suspicious Activity
23 Reports regarding Trade-Based Money Laundering”;
24 and

1 (3) FIN–2019–A006, entitled “Advisory to Fi-
2 nancial Institutions on Illicit Financial Schemes and
3 Methods Related to the Trafficking of Fentanyl and
4 Other Synthetic Opioids”.

5 **SEC. 5. TREATMENT OF TRANSNATIONAL CRIMINAL ORGA-**
6 **NIZATIONS IN SUSPICIOUS TRANSACTIONS.**

7 (a) FILING INSTRUCTIONS.—Not later than 180 days
8 after the date of the enactment of this Act, the Director
9 of the Financial Crimes Enforcement Network shall issue
10 guidance or instructions to United States financial institu-
11 tions for filing reports on suspicious transactions required
12 by section 5318(g) of title 31, United States Code, related
13 to suspected narcotics trafficking by transnational crimi-
14 nal organizations.

15 (b) PRIORITIZATION OF REPORTS RELATING TO
16 NARCOTICS TRAFFICKING OR TRANSNATIONAL CRIMINAL
17 ORGANIZATIONS.—The Director shall prioritize research
18 into reports described in subsection (a) that indicate a
19 connection to trafficking of narcotics.

20 (c) BRIEFING TO CONGRESS.—Not later than one
21 year after the date of enactment of this Act, the Director
22 shall brief the Committees on Financial Services and For-
23 eign Affairs of the House of Representatives and the Com-
24 mittees on Banking, Housing, and Urban Affairs and For-

- 1 eign Relations of the Senate on the usefulness of the guid-
- 2 ance or instructions issued under subsection (a).

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