

MEMORANDUM

TO: Members of the Committee on Financial Services

FROM: Committee Majority Staff

DATE: March 27, 2025

SUBJECT: April 1, 2025, Subcommittee on National Security, Illicit Finance, and International Financial Institutions Hearing: “Following the Money: Tools and Techniques to Combat Fraud”

On Tuesday, April 1, 2025, at 10:00 a.m. EST, the Subcommittee on National Security, Illicit Finance, and International Financial Institutions will hold a hearing in Room 2128 of the Rayburn House Office Building titled “Following the Money: Tools and Techniques to Combat Fraud.” The following witnesses will testify:

- Mr. Darrin McLaughlin, Executive Vice President-Chief BSA/AML & Sanctions Officer, Flagstar Bank on behalf of the American Bankers Association (ABA)
- Ms. Jacqueline Burns Koven, Head of Cyber Threat Intelligence, Chainalysis
- Mr. Jeff Brabant, Vice President, Federal Government Relations, National Federation of Independent Business (NFIB)
- Ms. Kathy Stokes, Director, Fraud Prevention Programs, AARP

This hearing will explore the growing threat of investment fraud in the U.S.; analyze tools and practices used to “follow the money” when it comes to investment scams; and assess the effectiveness of Suspicious Activity Reports (SARs) and Currency Transaction Reports (CTRs) in the U.S. financial system.

Attached Legislation

1. **H.R. 1799, the *Financial Reporting Threshold Modernization Act (Loudermilk)*:** This bill would update the threshold for automatic domestic currency transaction reports (CTRs) from \$10,000 to \$30,000. It would also update certain thresholds for suspicious activity reports (SARs) where such thresholds exist. Finally, it would permanently index the CTR threshold to inflation.
2. **H.R. 425, the *Repealing Big Brother Overreach Act (Davidson)*:** This bill would repeal the Corporate Transparency Act (CTA).
3. **H.R. ___, the *Repealing Big Brother Overreach Act (Davidson)*:** H.R. ___ codifies that the beneficial ownership regime would apply exclusively to foreign-owned businesses that meet the criteria of a reporting company as defined in the Corporate Transparency Act (CTA).

4. **H.R. __, the *Guarding Unprotected Aging Retirees from Deception (GUARD) Act (Nunn)***: This bill will allow state and local law enforcement to utilize blockchain tracing tools to investigate financial fraud and “pig butchering” scams. It also permits federal law enforcement to assist state and local law enforcement with cybercrimes. The bill also instructs the Treasury Department to provide a comprehensive study on the state of fraud and scams.
5. **H.R. __, the *Stop Foreign Scammers Act of 2025***: This bill requires the Treasury Secretary to transmit a report to Congress with a determination on whether Huione Group, Huione Guarantee, Huione Pay, and any successor of those entities is of primary money laundering concern as it relates to financial scams.
6. **H.R. __, the *Accountability through Confirmation Act***: This bill requires the Director of the Financial Crimes Enforcement Network to be appointed by the President and confirmed by the Senate, rather than appointed by the Secretary of the Treasury as under current law. The bill also provides for the Director's compensation rate under the Executive Schedule.
7. **H.R. __, the *BRAVE Burma Act (Huizenga)***: This legislation requires sanctions determinations with respect to certain Burmese state-owned enterprises, Myanma Economic Bank, and entities operating in the jet fuel sector of Burma. It would also extend by two years the sunset for sanctions required under the BURMA Act of 2022. The bill also further requires the U.S. Executive Director at the International Monetary Fund (IMF) to limit shareholding increases for Burma under any changes to the IMF’s shareholding formula, as long as Burma is subject to the rule of the State Administration Council. Finally, the legislation creates a Special Coordinator for Burmese Democracy at the Department of State to promote human rights and the restoration of civilian rule in Burma.
8. **H.R. __, the *Financial Access Improvements Act (Waters)***: This bill would add optional "Improvements" sections to country listings in the Money Laundering volume of the International Narcotics Control Strategy Report (INCSR), issued annually by the Department of State. It would also add Treasury to the report’s consultative agencies. The bill further requires Treasury to consult with Federal banking agencies, the Financial Institutions Examination Council, and the Bank Secrecy Act Advisory Group and report to Congress on how to build more consistent Bank Secrecy Act exams across those agencies.
9. **H.R. __, the *Foreign Affiliates Sharing Pilot Program Extension Act (Garcia)***: This bill would change the tolling date of the referenced anti-money laundering pilot program from three years after the date of enactment (January 1, 2021) to three years after the date that the Secretary of the Treasury starts the program.
10. **H.R. _____, the *Kleptocracy Asset Recovery Rewards Program Act (Lynch)***: This bill would establish a Treasury-based rewards program to incentivize identification of stolen assets that are linked to foreign government corruption. Similar to programs at the IRS and the State Department, rewards would be paid to whistleblowers from the proceeds of the recovered stolen assets. U.S. authorities would be better able to identify, recover, and return assets to victims. The pilot program on which this is based was passed into law through the FY2021 NDAA and as H.R.389 in the 116th Congress.