

117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 7128

To amend title 31, United States Code, to authorize the Secretary of the Treasury to place prohibitions or conditions on certain transmittals of funds in connection with jurisdictions, financial institutions, international transactions, or types of accounts of primary money laundering concern.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2022

Mr. HIMES introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend title 31, United States Code, to authorize the Secretary of the Treasury to place prohibitions or conditions on certain transmittals of funds in connection with jurisdictions, financial institutions, international transactions, or types of accounts of primary money laundering concern.

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 “Special Measures to  
5 Fight Modern Threats Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Financial Crimes Enforcement Net-  
4 work (FinCEN) is the Financial Intelligence Unit of  
5 the United States tasked with safeguarding the fi-  
6 nancial system from illicit use, combating money  
7 laundering and its related crimes including ter-  
8 rorism, and promoting national security.

9 (2) Per statute, FinCEN may require domestic  
10 financial institutions and financial agencies to take  
11 certain “special measures” against jurisdictions, in-  
12 stitutions, classes of transactions, or types of ac-  
13 counts determined to be of primary money laun-  
14 dering concern, providing the Secretary with a range  
15 of options, such as enhanced record-keeping, that  
16 can be adapted to target specific money laundering  
17 and terrorist financing and to bring pressure on  
18 those that pose money laundering threats.

19 (3) This special-measures authority was grant-  
20 ed in 2001, when most cross-border transactions oc-  
21 curred through correspondent or payable-through ac-  
22 counts held with large financial institutions which  
23 serve as intermediaries to facilitate financial trans-  
24 actions on behalf of other banks.

25 (4) Innovations in financial services have trans-  
26 formed and expanded methods of cross-border trans-

1 actions that could not have been envisioned 20 years  
2 ago when FinCEN was given its special-measures  
3 authority.

4 (5) These innovations, particularly through dig-  
5 ital assets and informal value transfer systems, while  
6 useful to legitimate consumers and law enforcement,  
7 can be tools abused by bad actors like sanctions  
8 evaders, fraudsters, money launderers, and those  
9 who commit ransomware attacks on victimized U.S.  
10 companies and which abuse the financial system to  
11 move and obscure the proceeds of their crimes.

12 (6) Ransomware attacks on U.S. companies re-  
13 quiring payments in cryptocurrencies have increased  
14 in recent years, with the U.S. Treasury estimating  
15 that ransomware payments in the United States  
16 reached \$590 million in just the first half of 2021,  
17 compared to a total of \$416 million in 2020.

18 (7) In July 2021, the White House, with sup-  
19 port of U.S. allies, asserted that the People's Repub-  
20 lic of China was responsible for ransomware oper-  
21 ations against private companies that included de-  
22 mands of millions of dollars, including the 2021  
23 ransomware attacks that breached Microsoft email  
24 systems and affected thousands of consumers, State  
25 and local municipalities, and government contractors

1 attributed to a cyber espionage group with links to  
2 the Chinese Ministry of State Security.

3 (8) As ransomware attacks organized by Chi-  
4 nese and other foreign bad actors continue to grow  
5 in size and scope, modernizing FinCEN’s special  
6 measure authorities will empower FinCEN to adapt  
7 its existing tools, monitor and obstruct global finan-  
8 cial threats, and meet the challenges of combating  
9 21st century financial crime.

10 **SEC. 3. PROHIBITIONS OR CONDITIONS ON CERTAIN**  
11 **TRANSMITTALS OF FUNDS.**

12 Section 5318A of title 31, United States Code, is  
13 amended—

14 (1) in subsection (a)(2)(C), by striking “sub-  
15 section (b)(5)” and inserting “paragraphs (5) and  
16 (6) of subsection (b)”; and

17 (2) in subsection (b)—

18 (A) in paragraph (5), by striking “for or  
19 on behalf of a foreign banking institution”; and

20 (B) by adding at the end the following:

21 “(6) PROHIBITIONS OR CONDITIONS ON CER-  
22 TAIN TRANSMITTALS OF FUNDS.—If the Secretary  
23 finds a jurisdiction outside of the United States, 1  
24 or more financial institutions operating outside of  
25 the United States, 1 or more types of accounts with-

1 in, or involving, a jurisdiction outside of the United  
2 States, or 1 or more classes of transactions within,  
3 or involving, a jurisdiction outside of the United  
4 States to be of primary money laundering concern,  
5 the Secretary, in consultation with the Secretary of  
6 State, the Attorney General, and the Chairman of  
7 the Board of Governors of the Federal Reserve Sys-  
8 tem, may prohibit, or impose conditions upon certain  
9 transmittals of funds (as such term may be defined  
10 by the Secretary in a special measure issuance, by  
11 regulation, or as otherwise permitted by law), to or  
12 from any domestic financial institution or domestic  
13 financial agency if such transmittal of funds involves  
14 any such jurisdiction, institution, type of account, or  
15 class of transaction.”.

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