

118TH CONGRESS
1ST SESSION

H. R. 370

To amend title 31, United States Code, to modernize the research, development, information sharing, and acquisition process of the Financial Crimes Enforcement Network, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 2023

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

A BILL

To amend title 31, United States Code, to modernize the research, development, information sharing, and acquisition process of the Financial Crimes Enforcement Network, 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 “FinCEN Moderniza-
5 tion Act of 2023”.

1 **SEC. 2. MODERNIZING THE RESEARCH, DEVELOPMENT, IN-**
2 **FORMATION SHARING, AND ACQUISITION**
3 **PROCESS AUTHORITIES OF THE FINANCIAL**
4 **CRIMES ENFORCEMENT NETWORK (FINCEN).**

5 Section 310 of title 31, United States Code, is
6 amended by adding at the end the following:

7 “(m) MODERNIZING THE RESEARCH, DEVELOP-
8 MENT, INFORMATION SHARING, AND ACQUISITION PROC-
9 ESS.—

10 “(1) IN GENERAL.—FinCEN shall establish
11 and maintain research, development, and informa-
12 tion sharing programs that further the purposes and
13 objectives of the laws administered by FinCEN, in-
14 cluding programs that—

15 “(A) inform FinCEN of important techno-
16 logical advances and innovations like machine
17 learning and data analytics that help safeguard
18 financial systems and detect illicit activity;

19 “(B) facilitate an environment where these
20 technological advances and innovations may be
21 explored by developers and FinCEN to evaluate
22 potential benefits for the financial industry;

23 “(C) identify areas where FinCEN should
24 adapt to facilitate these technological advances
25 and innovations, and encourage the develop-
26 ment of novel tools that are currently not avail-

1 able for use by FinCEN that would benefit fi-
2 nancial systems monitored by FinCEN;

3 “(D) ensure that FinCEN has the nec-
4 essary technology to monitor cryptocurrencies
5 and other emerging financial technologies for
6 their potential use in money laundering and
7 cyber and data security breaches; and

8 “(E) facilitate FinCEN’s ability to ex-
9 change and use information between other of-
10 fices and bureaus of the Department of the
11 Treasury, as well as other departments within
12 the Federal Government.

13 “(2) AUTHORIZED MEANS.—Notwithstanding
14 any other provision of law, FinCEN may do the fol-
15 lowing to accomplish the requirements described in
16 paragraph (1):

17 “(A) OTHER TRANSACTION AUTHORITY.—
18 FinCEN may enter into and perform trans-
19 actions (other than a standard contract) with
20 any agency or instrumentality of the United
21 States, or with any State, territory, or posses-
22 sion of the United States, or with any political
23 subdivision thereof, or with any person, firm,
24 association, corporation, educational institution,
25 self-regulatory organization, foreign govern-

1 ment, international organization, or other enti-
2 ty, on such terms and conditions as the Direc-
3 tor of FinCEN determines appropriate if—

4 “(i) the transaction is used only for
5 the requirements described in paragraph
6 (1);

7 “(ii) FinCEN endeavors to use a com-
8 petitive process, where appropriate, when
9 determining the parties to the transaction;
10 and

11 “(iii) the Director makes a written de-
12 termination that using a standard contract
13 to do so is either not feasible or not appro-
14 priate.

15 “(B) GIFT ACCEPTANCE AUTHORITY.—

16 During the 5-year period that begins with the
17 date of enactment of this subsection, FinCEN
18 may solicit, accept, and utilize any contribution,
19 provision of access, gift, or donation of tangible
20 or intangible property or service that the Direc-
21 tor determines appropriate, from any agency or
22 instrumentality of the United States, or any
23 State, territory, or possession of the United
24 State, or any political subdivision thereof, or
25 any person, firm, association, corporation, edu-

1 cational institution, self-regulatory organization,
2 or other entity, if—

3 “(i) the property or service is used
4 only for the requirements described in
5 paragraph (1); and

6 “(ii) the Director makes a written de-
7 termination that accepting the contribu-
8 tion, provision of access, gift, or donation
9 is consistent with fulfilling such require-
10 ments, and that using the standard con-
11 tract or other transaction to do so is nei-
12 ther feasible nor appropriate.

13 “(3) ANNUAL REPORT.—Not later than 60 days
14 after the end of each fiscal year, FinCEN shall sub-
15 mit to the Committee on Banking, Housing, and
16 Urban Affairs of the Senate and the Committee on
17 Financial Services of the House of Representatives
18 a report on all transactions entered into, and all
19 contributions, provisions of access, gifts, or dona-
20 tions accepted under paragraph (2), including—

21 “(A) a brief description of the rationale for
22 and purpose of each transaction, contribution,
23 provision of access, gift, or donation, with an
24 explanation of its potential utility to FinCEN,

1 as well as the current status of all related
2 projects;

3 “(B) FinCEN’s justification for why it was
4 not feasible or appropriate to use the standard
5 contract with respect to that subject;

6 “(C) in the case of a transaction other
7 than a contribution, provision of access, gift, or
8 donation, an explanation of FinCEN’s efforts to
9 use a competitive process, or the reason why
10 such a process was not appropriate; and

11 “(D) a description of all sums expended by
12 FinCEN in connection with a transaction and,
13 if readily available, the value of any contribu-
14 tion, provision of access, gift, or donation.”.

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