

118TH CONGRESS
1ST SESSION

H. R. 6605

To require the Secretary of the Treasury to study the threat of digital location obfuscation as it relates to national security and financial technology, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2023

Mr. NUNN of Iowa (for himself and Mrs. BEATTY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Secretary of the Treasury to study the threat of digital location obfuscation as it relates to national security and financial technology, 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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Stop Terrorism and Illicit Finance Location Exploitation
6 Act of 2023” or the “STIFLE Act of 2023”.

7 (b) FINDINGS.—The Congress finds the following:

8 (1) Financial sanctions are a primary national
9 security tool for the United States.

1 (2) Financial technology has created both new
2 beneficial financial innovations and emerging illicit
3 finance risks, including the evasion of sanctions.

4 (3) A financial technology platform must be
5 able to determine the precise location of an active
6 user of the platform to effectively implement loca-
7 tion-based access controls for compliance with—

8 (A) sanctions programs administered by
9 the Office of Foreign Assets Control;

10 (B) obligations imposed by the Anti-Money
11 Laundering Act of 2020, the Bank Secrecy Act,
12 and regulations associated with such Acts; and

13 (C) any other regulatory obligation.

14 (4) Financial technology platforms generally
15 use an Internet Protocol (in this Act referred to as
16 “IP”) address as the primary or sole indicator of
17 their users’ precise location.

18 (5) IP addresses were first created in 1974 and
19 standardized in 1983 as unique identification num-
20 bers attributed to devices on an interconnected com-
21 puter network and are the foundation of the modern
22 internet.

23 (6) IP addresses are assigned by Internet Serv-
24 ice Providers (in this Act referred to as “ISPs”) and
25 have become a less accurate determinant of precise

1 location as a result of the proliferation of mobile de-
2 vices, dynamic IP addresses, globalized content de-
3 livery networks, and other innovations.

4 (7) IP addresses can be manipulated through
5 the use of Virtual Private Networks (in this Act re-
6 ferred to as “VPNs”), proxy servers, anonymizing
7 darknet website browsers, and other location obfus-
8 cation techniques for the purpose of—

9 (A) illicit finance;

10 (B) evading detection under existing sanc-
11 tions; and

12 (C) evading requirements set forth in the
13 Anti-Money Laundering Act of 2020 and the
14 Bank Secrecy Act.

15 (8) Global System for Mobiles triangulation,
16 Wi-Fi triangulation, and GPS data provide substan-
17 tially more accurate location information than IP
18 addresses, but are individually susceptible to similar
19 manipulation through device tampering, freely avail-
20 able downloadable software, and other obfuscation
21 techniques.

22 (9) Technology that combines enhanced data
23 analytics with aggregated authentic sources of loca-
24 tion data is widely used to effectively ensure compli-
25 ance with United States sanctions, the Anti-Money

1 Laundering Act of 2020, the Bank Secrecy Act, and
2 other statutory and regulatory requirements.

3 **SEC. 2. REPORT ON THE THREAT OF DIGITAL LOCATION**
4 **OBFUSCATION TO NATIONAL SECURITY AND**
5 **FINANCIAL TECHNOLOGY COMPLIANCE OBLI-**
6 **GATIONS.**

7 (a) STUDY.—The Secretary of the Treasury, acting
8 through the Undersecretary of the Treasury for Terrorism
9 and Financial Intelligence, and in consultation with tech-
10 nology experts, national security experts, and law enforce-
11 ment, shall conduct a study to assess the following:

12 (1) The role that location obfuscation tech-
13 niques, including VPNs, proxy servers, GPS location
14 manipulation applications, and device tampering
15 plays in money laundering, sanctions evasion, and
16 other forms of illicit finance.

17 (2) The ease with which an illicit actor can ma-
18 nipulate and falsify location data relevant to compli-
19 ance with sanctions, the Anti-Money Laundering Act
20 of 2020, the Bank Secrecy Act, and any other statu-
21 tory and regulatory obligation.

22 (3) The degree to which a financial technology
23 platform relies upon an IP address as the primary
24 or sole indicator of the precise location of a user of
25 the platform.

1 (4) The ability of a financial technology plat-
2 form to use multiple aggregated points of location
3 data to indicate the precise location of a user of
4 such platform if an illicit actor manipulates one or
5 more of such data points.

6 (b) REPORT.—Not later than 1 year after the date
7 of the enactment of this Act, the Secretary of the Treas-
8 ury, acting through the Undersecretary of the Treasury
9 for Terrorism and Financial Intelligence, and in consulta-
10 tion with technology experts, national security experts,
11 and law enforcement, shall submit to the Congress a re-
12 port that contains the following:

13 (1) Each finding and determination made in
14 the study required under subsection (a).

15 (2) Any insufficiency in or lack of available
16 data inhibiting any finding and determination made
17 in the study required under subsection (a).

18 (3) A comprehensive analysis of any cost, ben-
19 efit, and potential risk associated with the mod-
20 ernization of precise location standards used by a fi-
21 nancial technology platform that relies on an IP ad-
22 dress as the primary or sole indicator of the precise
23 location of a user of the platform.

24 (4) A comprehensive analysis of the ways in
25 which technology that combines enhanced data ana-

1 lytics with multiple aggregated and authenticated
2 sources of location data may be used to reduce eva-
3 sion of United States sanctions, requirements under
4 the Anti-Money Laundering Act of 2020, the Bank
5 Secrecy Act, and any other statutory and regulatory
6 obligation.

7 (c) DEFINITIONS.—In this Act:

8 (1) ANTI-MONEY LAUNDERING ACT OF 2020.—
9 The term “Anti-Money Laundering Act of 2020”
10 means Division F of the National Defense Author-
11 ization Act for Fiscal Year 2021.

12 (2) BANK SECRECY ACT.—The term “Bank Se-
13 crecy Act” has the meaning given the term under
14 section 6303 of the Anti-Money Laundering Act of
15 2020 (31 U.S.C. 5301 note).

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