

115TH CONGRESS
1ST SESSION

S. 1781

To reauthorize grant programs to improve the prevention, investigation, and prosecution of economic, high technology, Internet, and other white collar crime.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 7, 2017

Mr. CORNYN (for himself, Mr. COONS, Mr. HATCH, Ms. KLOBUCHAR, Mr. TILLIS, Mr. MANCHIN, Mr. KENNEDY, Mr. WARNER, and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To reauthorize grant programs to improve the prevention, investigation, and prosecution of economic, high technology, Internet, and other white collar crime.

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 “National White Collar
5 Crime Control Act of 2017”.

1 **SEC. 2. PREVENTION, INVESTIGATION, AND PROSECUTION**
2 **OF ECONOMIC, HIGH TECHNOLOGY, INTER-**
3 **NET, AND OTHER WHITE COLLAR CRIME.**

4 Section 401 of the Prioritizing Resources and Orga-
5 nization for Intellectual Property Act of 2008 (42 U.S.C.
6 3713a) is amended by striking subsection (b) and insert-
7 ing the following:

8 “(b) GRANTS.—

9 “(1) AUTHORIZATION.—The Director of the
10 Bureau of Justice Assistance is authorized to enter
11 into a cooperative agreement with or make a grant
12 to an eligible entity for the purpose of improving the
13 identification, investigation, and prosecution of white
14 collar crime (including each category of such crimes
15 set forth in subparagraphs (A) through (C) of para-
16 graph (2)) by providing comprehensive, direct, and
17 practical training and technical assistance to law en-
18 forcement officers, investigators, auditors and pros-
19 ecutors in States and units of local government.

20 “(2) WHITE COLLAR CRIME DEFINED.—For
21 purposes of this subsection, the term ‘white collar
22 crime’ includes—

23 “(A) high-tech crime, including cyber and
24 electronic crime and related threats;

25 “(B) economic crime, including financial
26 fraud and mortgage fraud; and

1 “(C) Internet-based crime against children
2 and child pornography.

3 “(3) PURPOSES.—The purposes of this sub-
4 section include the following:

5 “(A) To ensure that training is available
6 for State, local, tribal and territorial law en-
7 forcement agencies and officers nationwide to
8 support local efforts to identify, prevent, inves-
9 tigate, and prosecute cyber and financial
10 crimes, including those crimes facilitated via
11 computer networks and other electronic means,
12 and crimes involving financial and economic im-
13 pacts such as intellectual property crimes.

14 “(B) To deliver training to State, local,
15 tribal, and territorial law enforcement officers,
16 and other criminal justice professionals con-
17 cerning the use of proven methodologies to—

18 “(i) prevent, detect, and respond to
19 white collar crimes;

20 “(ii) recognize emerging issues;

21 “(iii) manage electronic and financial
22 crime evidence; and

23 “(iv) improve local criminal justice
24 agency responses to such threats.

1 “(C) To provide operational and technical
2 assistance and training concerning tools, prod-
3 ucts, resources, guidelines, and procedures to—

4 “(i) aid and enhance criminal intel-
5 ligence analysis; and

6 “(ii) conduct white collar crime inves-
7 tigations and related justice information
8 sharing at the local and State levels.

9 “(D) To provide appropriate training on
10 protections for privacy, civil rights, and civil lib-
11 erties in the conduct of criminal intelligence
12 analysis and cyber and electronic crime and fi-
13 nancial crime investigations, including in the
14 development of policies, guidelines, and proce-
15 dures by State, local, tribal, and territorial law
16 enforcement agencies to protect and enhance
17 privacy, civil rights, and civil liberties protec-
18 tions and identify weaknesses and gaps in the
19 protection of privacy, civil rights, and civil lib-
20 erties.

21 “(4) AUTHORIZED PROGRAMS.—A grant or co-
22 operative agreement awarded under this subsection
23 may be made only for the following programs, with
24 respect to the prevention, investigation, and prosecu-
25 tion of certain criminal activities:

1 “(A) Programs to provide a nationwide
2 support system for State and local criminal jus-
3 tice agencies.

4 “(B) Programs to assist State and local
5 criminal justice agencies to develop, establish,
6 and maintain intelligence-focused policing strat-
7 egies and related information sharing.

8 “(C) Programs to provide training and in-
9 vestigative support services to State and local
10 criminal justice agencies to provide such agen-
11 cies with skills and resources needed to inves-
12 tigate and prosecute white collar criminal activi-
13 ties and related criminal activities.

14 “(D) Programs to provide research sup-
15 port, to establish partnerships, and to provide
16 other resources to aid State and local criminal
17 justice agencies to prevent, investigate, and
18 prosecute white collar criminal activities and re-
19 lated problems.

20 “(E) Programs to provide information and
21 research to the general public to facilitate the
22 prevention of white collar criminal activities.

23 “(F) Programs to establish or support na-
24 tional training and research centers regionally

1 to provide training and research services for
2 State and local criminal justice agencies.

3 “(G) Programs to provide training and
4 oversight to State and local criminal justice
5 agencies to develop and comply with applicable
6 privacy, civil rights, and civil liberties related
7 policies, procedures, rules, laws, and guidelines.

8 “(H) Any other programs specified by the
9 Attorney General as furthering the purposes of
10 this subsection.

11 “(5) APPLICATION.—To be eligible for an
12 award of a grant or cooperative agreement under
13 this subsection, an entity shall submit to the Direc-
14 tor of the Bureau of Justice Assistance an applica-
15 tion in such form and manner, and containing such
16 information, as required by the Director of the Bu-
17 reau of Justice Assistance.

18 “(6) ELIGIBILITY.—States, units of local gov-
19 ernment, not-for-profit entities, and institutions of
20 higher education with demonstrated capacity and ex-
21 perience in delivering training, technical assistance
22 and other resources including direct, practical lab-
23 oratory training to law enforcement officers, inves-
24 tigators, auditors and prosecutors in States and

1 units of local government and over the Internet shall
2 be eligible to receive an award under this subsection.

3 “(7) RULES AND REGULATIONS.—The Director
4 of the Bureau of Justice Assistance shall promulgate
5 such rules and regulations as are necessary to carry
6 out this subsection, including rules and regulations
7 for submitting and reviewing applications under
8 paragraph (5).

9 “(8) AUTHORIZATION OF APPROPRIATIONS.—
10 There are authorized to be appropriated
11 \$13,000,000 for each of fiscal years 2018 through
12 2022 to carry out this subsection.

13 “(c) ACCOUNTABILITY.—All grants awarded by the
14 Director of the Bureau of Justice Assistance under this
15 section shall be subject to the following accountability pro-
16 visions:

17 “(1) AUDIT REQUIREMENT.—

18 “(A) DEFINITION.—In this paragraph, the
19 term ‘unresolved audit finding’ means a finding
20 in the final audit report of the Inspector Gen-
21 eral of the Department of Justice that the au-
22 dited grantee has utilized grant funds for an
23 unauthorized expenditure or otherwise unallow-
24 able cost that is not closed or resolved within

1 12 months from the date when the final audit
2 report is issued.

3 “(B) AUDITS.—Beginning in the first fis-
4 cal year beginning after the date of enactment
5 of this subsection, and in each fiscal year there-
6 after, the Inspector General of the Department
7 of Justice shall conduct audits of recipients of
8 grants under this section to prevent waste,
9 fraud, and abuse of funds by grantees. The In-
10 spector General shall determine the appropriate
11 number of grantees to be audited each year.

12 “(C) MANDATORY EXCLUSION.—A recipi-
13 ent of grant funds under this section that is
14 found to have an unresolved audit finding shall
15 not be eligible to receive grant funds under this
16 section during the first 2 fiscal years beginning
17 after the end of the 12-month period described
18 in subparagraph (A).

19 “(D) PRIORITY.—In awarding grants
20 under this section, the Director of the Bureau
21 of Justice Assistance shall give priority to eligi-
22 ble applicants that did not have an unresolved
23 audit finding during the 3 fiscal years before
24 submitting an application for a grant under this
25 section.

1 “(E) REIMBURSEMENT.—If an entity is
2 awarded grant funds under this section during
3 the 2-fiscal-year period during which the entity
4 is barred from receiving grants under subpara-
5 graph (C), the Director of the Bureau of Jus-
6 tice Assistance shall—

7 “(i) deposit an amount equal to the
8 amount of the grant funds that were im-
9 properly awarded to the grantee into the
10 General Fund of the Treasury; and

11 “(ii) seek to recoup the costs of the
12 repayment to the fund from the grant re-
13 cipient that was erroneously awarded grant
14 funds.

15 “(2) NONPROFIT ORGANIZATION REQUIRE-
16 MENTS.—

17 “(A) DEFINITION.—For purposes of this
18 paragraph and the grant programs under this
19 part, the term ‘nonprofit organization’ means
20 an organization that is described in section
21 501(c)(3) of the Internal Revenue Code of 1986
22 and is exempt from taxation under section
23 501(a) of such Code.

24 “(B) PROHIBITION.—The Director of the
25 Bureau of Justice Assistance may not award a

1 grant under this section to a nonprofit organi-
2 zation that holds money in offshore accounts
3 for the purpose of avoiding paying the tax de-
4 scribed in section 511(a) of the Internal Rev-
5 enue Code of 1986.

6 “(C) DISCLOSURE.—Each nonprofit orga-
7 nization that is awarded a grant under this sec-
8 tion and uses the procedures prescribed in regu-
9 lations to create a rebuttable presumption of
10 reasonableness for the compensation of its offi-
11 cers, directors, trustees, and key employees,
12 shall disclose to the Director of the Bureau of
13 Justice Assistance, in the application for the
14 grant, the process for determining such com-
15 pensation, including the independent persons
16 involved in reviewing and approving such com-
17 pensation, the comparability data used, and
18 contemporaneous substantiation of the delibera-
19 tion and decision. Upon request, the Director of
20 the Bureau of Justice Assistance shall make the
21 information disclosed under this subparagraph
22 available for public inspection.

23 “(3) CONFERENCE EXPENDITURES.—

24 “(A) LIMITATION.—No amounts made
25 available to the Department of Justice under

1 this section may be used by the Attorney Gen-
2 eral, or by any individual or entity awarded dis-
3 cretionary funds through a cooperative agree-
4 ment under this section, to host or support any
5 expenditure for conferences that uses more than
6 \$20,000 in funds made available by the Depart-
7 ment of Justice, unless the head of the relevant
8 agency or department provides prior written au-
9 thorization that the funds may be expended to
10 host the conference.

11 “(B) WRITTEN APPROVAL.—Written ap-
12 proval under subparagraph (A) shall include a
13 written estimate of all costs associated with the
14 conference, including the cost of all food, bev-
15 erages, audio-visual equipment, honoraria for
16 speakers, and entertainment.

17 “(C) REPORT.—The Deputy Attorney Gen-
18 eral shall submit an annual report to the Com-
19 mittee on the Judiciary of the Senate and the
20 Committee on the Judiciary of the House of
21 Representatives on all conference expenditures
22 approved under this paragraph.

23 “(4) ANNUAL CERTIFICATION.—Beginning in
24 the first fiscal year beginning after the date of en-
25 actment of this subsection, the Attorney General

1 shall submit, to the Committee on the Judiciary and
2 the Committee on Appropriations of the Senate and
3 the Committee on the Judiciary and the Committee
4 on Appropriations of the House of Representatives,
5 an annual certification—

6 “(A) indicating whether—

7 “(i) all audits issued by the Office of
8 the Inspector General under paragraph (1)
9 have been completed and reviewed by the
10 appropriate Assistant Attorney General or
11 Director;

12 “(ii) all mandatory exclusions required
13 under paragraph (1)(C) have been issued;
14 and

15 “(iii) all reimbursements required
16 under paragraph (1)(E) have been made;
17 and

18 “(B) that includes a list of any grant re-
19 cipients excluded under paragraph (1) from the
20 previous year.

21 “(d) PREVENTING DUPLICATIVE GRANTS.—

22 “(1) IN GENERAL.—Before the Director of the
23 Bureau of Justice Assistance awards a grant to an
24 applicant under this section, the Director of the Bu-
25 reau of Justice Assistance shall compare potential

1 grant awards with other grants awarded under this
2 section to determine if duplicate grant awards are
3 awarded for the same purpose.

4 “(2) REPORT.—If the Director of the Bureau
5 of Justice Assistance awards duplicate grants to the
6 same applicant for the same purpose the Director of
7 the Bureau of Justice Assistance shall submit to the
8 Committee on the Judiciary of the Senate and the
9 Committee on the Judiciary of the House of Rep-
10 resentatives a report that includes—

11 “(A) a list of all duplicate grants awarded,
12 including the total dollar amount of any dupli-
13 cate grants awarded; and

14 “(B) the reason the Director of the Bu-
15 reau of Justice Assistance awarded the dupli-
16 cate grants.”.

○