

118TH CONGRESS
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S. 2059

To impose sanctions with respect to pharmaceutical companies of the People’s Republic of China and certain cartels that traffic fentanyl into the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 20, 2023

Mr. MENENDEZ introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To impose sanctions with respect to pharmaceutical companies of the People’s Republic of China and certain cartels that traffic fentanyl into the United States, 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 “Strengthening Sanc-
5 tions on Fentanyl Traffickers Act of 2023”.

1 **SEC. 2. PRIORITIZATION OF IDENTIFICATION OF PERSONS**
2 **FROM THE PEOPLE'S REPUBLIC OF CHINA.**

3 Section 7211 of the Fentanyl Sanctions Act (21
4 U.S.C. 2311) is amended—

5 (1) in subsection (a)—

6 (A) by redesignating paragraphs (3) and
7 (4) as paragraphs (4) and (5), respectively; and

8 (B) by inserting after paragraph (2) the
9 following new paragraph (3):

10 “(3) PRIORITIZATION.—

11 “(A) IN GENERAL.—In preparing the re-
12 port required by paragraph (1), the President
13 shall prioritize the identification of persons of
14 the People’s Republic of China involved in the
15 shipment of fentanyl, fentanyl analogues,
16 fentanyl precursors, precursors for fentanyl
17 analogues, pre-precursors for fentanyl and
18 fentanyl analogues, and equipment for the man-
19 ufacturing of fentanyl and fentanyl-laced coun-
20 terfeit pills to Mexico or any other country that
21 is involved in the production of fentanyl that is
22 trafficked into the United States, including—

23 “(i) any entity involved in the produc-
24 tion of pharmaceuticals; and

25 “(ii) any person that is acting on be-
26 half of any such entity.

1 “(B) TERMINATION OF PRIORITIZATION.—

2 “(i) The President shall continue the
3 prioritization described in subparagraph
4 (A) until the People’s Republic of China is
5 no longer the primary source for the ship-
6 ment of fentanyl, fentanyl analogues,
7 fentanyl precursors, precursors for fentanyl
8 analogues, pre-precursors for fentanyl and
9 fentanyl analogues, and equipment for the
10 manufacturing of fentanyl and fentanyl-
11 laced counterfeit pills to Mexico or any
12 other country that is involved in the pro-
13 duction of fentanyl that is trafficked into
14 the United States; and

15 “(ii) the President so certifies to the
16 appropriate congressional committees.

17 “(C) PERSON OF THE PEOPLE’S REPUBLIC
18 OF CHINA DEFINED.—In this section, the term
19 ‘person of the People’s Republic of China’
20 means—

21 “(i) an individual who is a citizen or
22 national of the People’s Republic of China;
23 or

24 “(ii) an entity organized under the
25 laws of the People’s Republic of China or

1 otherwise subject to the jurisdiction of the
2 Government of the People’s Republic of
3 China.”; and

4 (2) in subsection (c), by striking “the date that
5 is 5 years after such date of enactment” and insert-
6 ing “December 31, 2030”.

7 **SEC. 3. SANCTIONS WITH RESPECT TO SIGNIFICANT**
8 **FENTANYL TRAFFICKING ORGANIZATIONS.**

9 (a) IN GENERAL.—United States sanctions imposed
10 on the transnational criminal organizations listed in sub-
11 section (b) provided for in the Foreign Narcotics Kingpin
12 Designation Act (21 U.S.C. 1901 et seq.), as in effect on
13 the date of the enactment of this Act, shall remain in ef-
14 fect except as provided in subsection (c).

15 (b) TRANSNATIONAL CRIMINAL ORGANIZATIONS.—
16 The transnational criminal organizations listed in this
17 subsection are the following:

- 18 (1) The Sinaloa Cartel.
- 19 (2) The Jalisco New Generation Cartel.
- 20 (3) The Beltran-Leyva Organization.
- 21 (4) Los Zetas.
- 22 (5) The Guerreros Unidos.
- 23 (6) The Gulf Cartel.
- 24 (7) The Juarez Cartel.
- 25 (8) La Familia Michocana.

1 (9) Los Rojos.

2 (c) TERMINATION OF CERTAIN SANCTIONS.—The
3 President may terminate the application of any sanctions
4 described in subsection (a) with respect to any
5 transnational criminal organization listed in subsection (b)
6 if the President submits to the appropriate congressional
7 committees a notice that such transnational criminal orga-
8 nization is not engaging in the activity that was the basis
9 for such sanctions.

10 (d) APPROPRIATE CONGRESSIONAL COMMITTEES
11 DEFINED.—In this section, the term “appropriate con-
12 gressional committees” means—

13 (1) the Committee on Foreign Relations and
14 the Committee on Banking, Housing, and Urban Af-
15 fairs of the Senate; and

16 (2) the Committee on Foreign Affairs and the
17 Committee on Financial Services of the House of
18 Representatives.

19 **SEC. 4. IMPOSITION OF SANCTIONS WITH RESPECT TO FOR-**
20 **EIGN PERSONS INVOLVED IN GLOBAL ILLICIT**
21 **DRUG TRADE.**

22 (a) IN GENERAL.—The President may impose any of
23 the sanctions described in subsection (b) with respect to
24 any foreign person determined by the President—

1 (1) to have engaged in, or attempted to engage
2 in, activities or transactions that have materially
3 contributed to, or pose a significant risk of materi-
4 ally contributing to, the international trafficking of
5 illicit drugs or their means of production;

6 (2) to have knowingly received any property or
7 interest in property that the foreign person knows—

8 (A) constitutes or is derived from proceeds
9 of activities or transactions described in para-
10 graph (1); or

11 (B) was used or intended to be used to
12 commit or to facilitate such activities or trans-
13 actions;

14 (3) to have provided, or attempted to provide,
15 financial, material, or technological support for, or
16 goods or services in support of—

17 (A) any activity or transaction described in
18 paragraph (1); or

19 (B) any sanctioned person;

20 (4) to be a leader or official of any sanctioned
21 person or of any foreign person that has engaged in
22 any activity or transaction described in paragraph
23 (1); or

1 (5) to be owned, controlled, or directed by, or
2 to have acted or purported to act for or on behalf
3 of, directly or indirectly, any sanctioned person.

4 (b) SANCTIONS DESCRIBED.—The sanctions de-
5 scribed in this subsection are the following:

6 (1) BLOCKING OF PROPERTY.—The President
7 may, pursuant to the International Emergency Eco-
8 nomic Powers Act (50 U.S.C. 1701 et seq.), block
9 and prohibit all transactions in property and inter-
10 ests in property of the sanctioned person if such
11 property and interests in property are in the United
12 States, come within the United States, or are or
13 come within the possession or control of a United
14 States person.

15 (2) BANKING TRANSACTIONS.—The President
16 may prohibit any transfers of credit or payments be-
17 tween financial institutions or by, through, or to any
18 financial institution, to the extent that such trans-
19 fers or payments are subject to the jurisdiction of
20 the United States and involve any interest of the
21 sanctioned person.

22 (3) LOANS FROM UNITED STATES FINANCIAL
23 INSTITUTIONS.—The President may prohibit any
24 United States financial institution from making
25 loans or providing credit to the sanctioned person.

1 (4) FOREIGN EXCHANGE TRANSACTIONS.—The
2 President may prohibit any transactions in foreign
3 exchange that are subject to the jurisdiction of the
4 United States and in which the sanctioned person
5 has any interest.

6 (5) PROHIBITION ON INVESTMENT IN EQUITY
7 OR DEBT OF SANCTIONED PERSON.—The President
8 may prohibit any United States person from invest-
9 ing in or purchasing significant amounts of equity or
10 debt instruments of the sanctioned person.

11 (6) PROHIBITIONS ON FINANCIAL INSTITU-
12 TIONS.—The President may direct that the following
13 prohibitions be imposed with respect to a sanctioned
14 person that is a financial institution:

15 (A) PROHIBITION ON DESIGNATION AS
16 PRIMARY DEALER.—Neither the Board of Gov-
17 ernors of the Federal Reserve System nor the
18 Federal Reserve Bank of New York may des-
19 ignate, or permit the continuation of any prior
20 designation of, the financial institution as a pri-
21 mary dealer in United States Government debt
22 instruments.

23 (B) PROHIBITION ON SERVICE AS A RE-
24 POSITORY OF GOVERNMENT FUNDS.—The fi-
25 nancial institution may not serve as agent of

1 the United States Government or serve as re-
2 pository for United States Government funds.

3 (7) PROCUREMENT BAN.—The President may
4 direct that the United States Government may not
5 procure, or enter into any contract for the procure-
6 ment of, any goods or services from the sanctioned
7 person.

8 (8) EXCLUSION OF CORPORATE OFFICERS.—
9 The President may direct the Secretary of State to
10 deny a visa to, and the Secretary of Homeland Secu-
11 rity to exclude from the United States, any alien
12 that the President determines is a leader, official,
13 senior executive officer, or director of, or a share-
14 holder with a controlling interest in, the sanctioned
15 person.

16 (9) SANCTIONS ON PRINCIPAL EXECUTIVE OF-
17 FICERS.—The President may impose on the prin-
18 cipal executive officer or officers of the sanctioned
19 person, or on individuals performing similar func-
20 tions and with similar authorities as such officer or
21 officers, any of the sanctions described in para-
22 graphs (1) through (8) that are applicable.

23 (c) INADMISSIBILITY OF CERTAIN SANCTIONED PER-
24 SONS.—

1 (1) VISAS, ADMISSION, OR PAROLE.—Except as
2 provided by paragraph (3), an alien with respect to
3 whom the President imposed sanctions under para-
4 graph (1) or (8) of subsection (b) shall be—

5 (A) inadmissible to the United States;

6 (B) ineligible to receive a visa or other doc-
7 umentation to enter the United States; and

8 (C) otherwise ineligible to be admitted or
9 paroled into the United States or to receive any
10 other benefit under the Immigration and Na-
11 tionality Act (8 U.S.C. 1101 et seq.).

12 (2) CURRENT VISAS REVOKED.—

13 (A) IN GENERAL.—The visa or other entry
14 documentation of any alien described in para-
15 graph (1) is subject to revocation regardless of
16 the date on which the visa or other entry docu-
17 mentation is or was issued.

18 (B) IMMEDIATE EFFECT.—A revocation
19 under subparagraph (A) shall—

20 (i) take effect immediately; and

21 (ii) cancel any other valid visa or
22 entry documentation that is in the posses-
23 sion of the alien.

24 (3) EXCEPTIONS.—Paragraphs (1) and (2)
25 shall not apply with respect to the admission of an

1 alien described in paragraph (1) if the President de-
2 termines that the admission of the alien would not
3 be contrary to the interests of the United States, in-
4 cluding if the Secretary of State or the Secretary of
5 Homeland Security, as appropriate, determines,
6 based on a recommendation of the Attorney General,
7 that the admission of the alien would further impor-
8 tant United States law enforcement objectives.

9 (d) IMPLEMENTATION.—The President may exercise
10 all authorities provided under sections 203 and 205 of the
11 International Emergency Economic Powers Act (50
12 U.S.C. 1702 and 1704) to carry out this section.

13 (e) EXCEPTION RELATING TO IMPORTATION OF
14 GOODS.—

15 (1) IN GENERAL.—The authorities and require-
16 ments to impose sanctions authorized under this Act
17 shall not include the authority or a requirement to
18 impose sanctions on the importation of goods.

19 (2) GOOD DEFINED.—In this paragraph, the
20 term “good” means any article, natural or manmade
21 substance, material, supply or manufactured prod-
22 uct, including inspection and test equipment, and ex-
23 cluding technical data.

24 (f) DEFINITIONS.—In this section:

1 (1) ADMISSION; ADMITTED; ALIEN; LAWFULLY
2 ADMITTED FOR PERMANENT RESIDENCE; NA-
3 TIONAL.—The terms “admission”, “admitted”,
4 “alien”, “lawfully admitted for permanent resi-
5 dence”, and “national” have the meanings given
6 those terms in section 101 of the Immigration and
7 Nationality Act (8 U.S.C. 1101).

8 (2) ENTITY.—The term “entity” means a part-
9 nership, association, trust, joint venture, corpora-
10 tion, group, subgroup, or other organization.

11 (3) FINANCIAL INSTITUTION.—The term “fi-
12 nancial institution” includes—

13 (A) a depository institution (as defined in
14 section 3(c)(1) of the Federal Deposit Insur-
15 ance Act (12 U.S.C. 1813(c)(1))), including a
16 branch or agency of a foreign bank (as defined
17 in section 1(b)(7) of the International Banking
18 Act of 1978 (12 U.S.C. 3101(7)));

19 (B) a credit union;

20 (C) a securities firm, including a broker or
21 dealer;

22 (D) an insurance company, including an
23 agency or underwriter; and

24 (E) any other entity that provides financial
25 services.

1 (4) KNOWINGLY; KNOWS.—The terms “know-
2 ingly” and “knows”, with respect to conduct, a cir-
3 cumstance, or a result, means that a person has ac-
4 tual knowledge, or should have known, of the con-
5 duct, the circumstance, or the result.

6 (5) MEANS OF PRODUCTION.—The terms
7 “means of production” includes any activities or
8 transactions involving any equipment, chemical,
9 product, or material that may be used, directly or
10 indirectly, in the manufacture of illicit drugs or pre-
11 cursor chemicals.

12 (6) PERSON.—The term “person” means an in-
13 dividual or entity.

14 (7) PROLIFERATION OF ILLICIT DRUGS.—The
15 term “proliferation of illicit drugs” means any illicit
16 activity to produce, manufacture, distribute, sell, or
17 knowingly finance or transport narcotic drugs, con-
18 trolled substances, listed chemicals, or controlled
19 substance analogues, as defined in section 102 of the
20 Controlled Substances Act (21 U.S.C. 802).

21 (8) SANCTIONED PERSON.—The term “sanc-
22 tioned person” means any person with respect to
23 which sanctions are imposed under this section.

24 (9) UNITED STATES FINANCIAL INSTITUTION.—
25 The term “United States financial institution”

1 means a financial institution (including its foreign
2 branches)—

3 (A) organized under the laws of the United
4 States or of any jurisdiction within the United
5 States; or

6 (B) located in the United States.

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