

Union Calendar No. 766

115TH CONGRESS
2D SESSION

H. R. 6729

[Report No. 115–981]

To allow nonprofit organizations to register with the Secretary of the Treasury and share information on activities that may involve human trafficking or money laundering with financial institutions and regulatory authorities, under a safe harbor that offers protections from liability, in order to better identify and report potential human trafficking or money laundering activities.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2018

Mrs. WAGNER (for herself, Mrs. CAROLYN B. MALONEY of New York, and Mrs. LOVE) introduced the following bill; which was referred to the Committee on Financial Services

SEPTEMBER 26, 2018

Additional sponsors: Mrs. MIMI WALTERS of California, Ms. SINEMA, Ms. TENNEY, Mr. PAULSEN, and Mr. GROTHMAN

SEPTEMBER 26, 2018

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To allow nonprofit organizations to register with the Secretary of the Treasury and share information on activities that may involve human trafficking or money laundering with financial institutions and regulatory authorities, under a safe harbor that offers protections from liability, in order to better identify and report potential human trafficking or money laundering activities.

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 “Empowering Financial
5 Institutions to Fight Human Trafficking Act of 2018”.

6 **SEC. 2. ANTI-MONEY LAUNDERING INFORMATION PRO-**
7 **VIDERS.**

8 (a) IN GENERAL.—Subchapter II of chapter 53 of
9 title 31, United States Code, is amended by adding at the
10 end the following:

11 **“§ 5333. Anti-money laundering information pro-**
12 **viders**

13 “(a) COOPERATION AMONG FINANCIAL INSTITU-
14 TIONS AND SOURCES OF INFORMATION ON HUMAN TRAF-
15 FICKING AND MONEY LAUNDERING.—

16 “(1) IN GENERAL.—Not later than the end of
17 the 120-day period beginning on the date of enact-
18 ment of this section, the Secretary of the Treasury
19 shall issue regulations to allow nonprofit organiza-
20 tions that the Secretary determines to be qualified to
21 share information with financial institutions, asso-
22 ciations of financial institutions, their regulatory au-
23 thorities, and law enforcement agencies regarding in-
24 dividuals, entities, organizations, and countries sus-

pected of possible human trafficking or related money laundering activities.

“(2) COOPERATION AND INFORMATION SHARING PROCEDURES.—The regulations required under paragraph (1) may include or create procedures for cooperation and information sharing focused on—

“(A) matters specifically related to those benefitting directly and indirectly from human trafficking, the means by which human traffickers transfer funds within the United States and around the world, and the extent to which financial institutions, including depository institutions, asset managers, and insurers in the United States, are unwittingly involved in such matters or transfers and the extent to which such entities are at risk as a result; and

“(B) means of facilitating the identification of accounts and transactions involving human traffickers and facilitating the exchange of information concerning such accounts and transactions between nonprofit organizations, financial institutions, regulatory authorities, and law enforcement agencies.

“(3) METHOD OF REGULATION.—The regulations required under paragraph (1) may—

1 “(A) be made coextensive with the regula-
2 tions adopted pursuant to other programs, reg-
3 ulated by the Secretary, for sharing information
4 on unlawful activities between financial institu-
5 tions;

6 “(B) establish a registration process over-
7 seen by the Secretary that—

8 “(i) requires a nonprofit organization
9 to demonstrate that they meet certain
10 qualifications that the Secretary deter-
11 mines appropriate, including the establish-
12 ment of policies and procedures reasonably
13 designed to ensure the prompt identifica-
14 tion and correction of inaccurate informa-
15 tion shared under paragraph (1);

16 “(ii) allows the Secretary to disqualify
17 nonprofit organizations that do not meet
18 such qualifications; and

19 “(iii) allows the Secretary to termi-
20 nate the registration of a nonprofit organi-
21 zation at any point if the Secretary deter-
22 mines such termination is appropriate and
23 provides sufficient notice of such termi-
24 nation to the applicable nonprofit organiza-
25 tion;

1 “(C) require a nonprofit organization to
2 register with the Secretary before sharing infor-
3 mation that will be subject to the safe harbor
4 provided under subsection (b); and

5 “(D) ensure that financial institutions, as-
6 sociations of financial institutions, their regu-
7 latory authorities, law enforcement authorities,
8 and any other appropriate entities are made
9 aware of those nonprofit organizations that are
10 registered with the Secretary.

11 “(4) RECIPIENTS OF INFORMATION.—

12 “(A) IN GENERAL.—The Secretary shall
13 determine those financial institutions which are
14 eligible to be recipients of information from
15 nonprofit organizations made in compliance
16 with the regulations issued under subsection
17 (a). Such eligible financial institutions may in-
18 clude those already participating in existing in-
19 formation sharing programs regulated by the
20 Secretary regarding unlawful activity.

21 “(B) NO SAFE HARBOR FOR INFORMATION
22 PROVIDED TO OTHER FINANCIAL INSTITU-
23 TIONS.—If a nonprofit organization shares in-
24 formation with a financial institution that is not
25 eligible under subparagraph (A), such sharing

1 of information shall not be subject to the safe
2 harbor provided under subsection (b).

3 “(5) INFORMATION SHARING BETWEEN FINAN-
4 CIAL INSTITUTIONS.—The regulations adopted pur-
5 suant to this section—

6 “(A) may be coextensive with other regula-
7 tions governing the sharing of information be-
8 tween financial institutions on suspected unlaw-
9 ful activities; and

10 “(B) shall allow financial institutions that
11 receive information in compliance with the regu-
12 lations issued under subsection (a) to share
13 such information with other financial institu-
14 tions through existing information sharing pro-
15 grams.

16 “(b) SAFE HARBOR FOR INFORMATION PRO-
17 VIDERS.—

18 “(1) IN GENERAL.—A nonprofit organization,
19 financial institution, association of financial institu-
20 tions, regulatory authority of a financial institution,
21 or law enforcement agency in compliance with the
22 regulations issued under subsection (a) that trans-
23 mits or shares information described under sub-
24 section (a) for the purposes of identifying or report-
25 ing activities that may involve human trafficking

1 acts or related money laundering activities shall not
2 be liable to any person under any law or regulation
3 of the United States, any constitution, law, or regu-
4 lation of any State or political subdivision thereof, or
5 under any contract or other legally enforceable
6 agreement (including any arbitration agreement), for
7 such disclosure or for any failure to provide notice
8 of such disclosure to the person who is the subject
9 of such disclosure, or any other person identified in
10 the disclosure, except where such transmission or
11 sharing violates this section or regulations issued
12 pursuant to this section.

13 “(2) NO GOOD FAITH REQUIREMENT.—A non-
14 profit organization, financial institution, association
15 of financial institutions, regulatory authority of a fi-
16 nancial institution, or law enforcement agency that
17 transmits or shares information described under
18 paragraph (1) shall not be required to demonstrate
19 that such transmission or sharing was made on a
20 good faith basis in order to receive the benefit of the
21 safe harbor provided by paragraph (1).

22 “(c) NON-MANDATORY COMPLIANCE WITH THIS
23 SECTION.—This section may not be construed as requir-
24 ing a nonprofit organization to comply with the regula-
25 tions issued under subsection (a) before sharing informa-

1 tion with a financial institution, association of financial
2 institutions, regulatory authority of a financial institution,
3 or law enforcement agency.

4 “(d) REPORTS TO THE FINANCIAL SERVICES INDUS-
5 TRY ON SUSPICIOUS FINANCIAL ACTIVITIES.—Beginning
6 10 months after the date of the enactment of this section,
7 and at least semiannually thereafter, the Secretary of the
8 Treasury shall—

9 “(1) publish a report containing a detailed anal-
10 ysis identifying patterns of suspicious activity and
11 other investigative insights derived from the regula-
12 tions issued under this section and investigations
13 conducted by Federal, State, local, and Tribal law
14 enforcement agencies to the extent appropriate;

15 “(2) distribute such report to financial institu-
16 tions; and

17 “(3) provide such report upon publication to
18 the Committee on Financial Services of the House of
19 Representatives and the Committee on Banking,
20 Housing, and Urban Affairs of the Senate.

21 “(e) NONPROFIT ORGANIZATION DEFINED.—For
22 purposes of this section, the term ‘nonprofit organization’
23 means an organization described in section 501(c)(3) of
24 the Internal Revenue Code of 1986 and exempt from tax-
25 ation under section 501(a) of such Code.”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 for chapter 53 of title 31, United States Code, is amended
3 by inserting after the item relating to section 5332 the
4 following:

“5333. Anti-money laundering information providers.”.

Union Calendar No. 766

115TH CONGRESS
2D Session

H. R. 6729

[Report No. 115-981]

A BILL

To allow nonprofit organizations to register with the Secretary of the Treasury and share information on activities that may involve human trafficking or money laundering with financial institutions and regulatory authorities, under a safe harbor that offers protections from liability, in order to better identify and report potential human trafficking or money laundering activities.

SEPTEMBER 26, 2018

Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed