

Second, the virtual currency landscape is rapidly evolving and many of these technologies did not exist when previous laws and regulations were written. H.R. 1414 will help FinCEN combat emerging methods of financing illicit activity, including the use of cryptocurrency.

Finally, the FinCEN Improvement Act builds on existing relationships with law enforcement partners by ensuring that FinCEN has the authority to work not only with Federal, State, and local law enforcement, but also with Tribal law enforcement across the country.

I am proud to cosponsor this bill, Mr. Speaker, and I urge our colleagues to support it.

Mr. LUETKEMEYER. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. RIGGLEMAN), one of our outstanding freshmen from the freshman class of this past fall.

Mr. RIGGLEMAN. Mr. Speaker, today, I am proud to rise in support as the lead Republican sponsor of H.R. 1414, the FinCEN Improvement Act of 2019.

I thank my colleague and fellow Member from the Commonwealth of Virginia, Representative JENNIFER WEXTON, for her work on this legislation. This bill is a tangible example of what Congress can accomplish when we put aside our differences and work together.

FinCEN, or the Financial Crimes Enforcement Network, is a critical component of law enforcement, as the agency is charged with promoting national security by safeguarding our financial system.

Terrorists, drug smugglers, human traffickers, and other criminal actors are constantly innovating and creating new ways to exploit the system. Bad actors know the current limitations of law enforcement and how to profit immensely from our weaknesses as they are constantly developing their tactics, techniques, and procedures, or TTPs, based on our security posture.

It is FinCEN's mission to cut the head off the snake and combat illicit financing of these activities. This bill will strengthen FinCEN in three key areas.

First, it strengthens FinCEN by codifying the domestic responsibilities of combating illicit finance. We know all too well the danger international terrorists pose, but it is equally important that we police criminal financial activity domestically as well. By reinforcing FinCEN's domestic mandate, we are sending a message to all Americans that we will not tolerate criminal activity either at home or abroad.

Second, this bill adds Tribal law enforcement to the list of FinCEN partners. By ensuring robust and comprehensive law enforcement partners, we are equipping the agencies charged with safeguarding our financial system with the necessary tools and information to execute their mission. Partnering with Tribal law enforce-

ment closes a potential loophole that terrorists can use to inject illicit money into the system.

Finally, and perhaps most importantly, this bill clearly incorporates cryptocurrencies and other emerging technologies that substitute for currency.

As financial technology, or fintech, evolves, so do the opportunities for criminals to take advantage of the financial system. We must ensure that our law enforcement agencies have a clear directive from Congress to take on all challenges and risks facing our financial system.

Mr. Speaker, today, I ask all my colleagues in the people's House to join me and Ms. WEXTON by voting in favor of this legislation.

Ms. WATERS. Mr. Speaker, I have no further speakers, and I am prepared to close. I reserve the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I reiterate my support for H.R. 1414, the FinCEN Improvement Act, and I yield back the balance of my time.

Ms. WATERS. Mr. Speaker, I am pleased that Ms. WEXTON and Mr. RIGGLEMAN have brought this issue to the full House. It addresses key gaps in our efforts to fight financial crime, something we all should support.

I urge my colleagues to join me in supporting this important piece of legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and pass the bill, H.R. 1414.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

COOPERATE WITH LAW ENFORCEMENT AGENCIES AND WATCH ACT OF 2019

Ms. WATERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 758) to provide a safe harbor for financial institutions that maintain a customer account or customer transaction at the request of a Federal or State law enforcement agency, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cooperate with Law Enforcement Agencies and Watch Act of 2019".

SEC. 2. SAFE HARBOR WITH RESPECT TO KEEP OPEN LETTERS.

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

"§ 5333. Safe harbor with respect to keep open letters

"(a) IN GENERAL.—With respect to a customer account or customer transaction of a

financial institution, if a Federal, State, Tribal, or local law enforcement agency requests, in writing, the financial institution to keep such account or transaction open—

"(1) the financial institution shall not be liable under this subchapter for maintaining such account or transaction consistent with the parameters of the request; and

"(2) no Federal or State department or agency may take any adverse supervisory action under this subchapter with respect to the financial institution for maintaining such account or transaction consistent with the parameters of the request.

"(b) RULE OF CONSTRUCTION.—Nothing in this section may be construed—

"(1) from preventing a Federal or State department or agency from verifying the validity of a written request described under subsection (a) with the Federal, State, Tribal, or local law enforcement agency making the written request; or

"(2) to relieve a financial institution from complying with any reporting requirements, including the reporting of suspicious transactions under section 5318(g).

"(c) LETTER TERMINATION DATE.—For purposes of this section, any written request described under subsection (a) shall include a termination date after which such request shall no longer apply."

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

"5333. Safe harbor with respect to keep open letters."

SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled "Budgetary Effects of PAYGO Legislation" for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATERS) and the gentleman from Arkansas (Mr. HILL) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 758 would strengthen cooperation between financial institutions and law enforcement agencies to better detect, deter, and combat terrorism and financial crimes.

With respect to the Bank Secrecy Act anti-money laundering, referred to as BSA/AML, supervisory actions, this bill would carve out a narrow safe harbor for financial institutions to keep a customer's account open at the written request of a law enforcement agency, including those at the Federal, State, local, and Tribal levels.

This cooperation will enable law enforcement agencies to follow the money in the bank accounts of terrorists, human traffickers, corrupt officials, and those involved with organized crime.

Of equal importance, the legislation provides an assurance to financial institutions, clarifying that they will not be held liable for their cooperation and collaboration with law enforcement in helping to thwart illicit finance.

I will note that law enforcement agencies are currently expected to provide a written notice to financial institutions, requesting that the accounts of bad actors remain open to monitor transactions and build stronger criminal cases. However, this practice does not always happen and exposes financial institutions to enforcement actions from their banking regulators. Banks should not be put in a position to choose whether or not to help law enforcement out of concern about regulatory consequences.

We simply cannot allow bad actors to launder money and finance terror through our banks. H.R. 758 will encourage financial institutions to maintain a strong partnership with law enforcement.

In the 115th Congress, this bill was unanimously approved by the Financial Services Committee. The House passed the bill by a vote of 379–4.

I thank the gentleman from Arkansas (Mr. HILL) and the gentleman from Illinois (Mr. FOSTER) for introducing this bipartisan piece of legislation. This bill is one example of our committee's efforts to fight terrorism, corruption, and financial crime. I urge all Members to vote "yes" on H.R. 758. I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first, let me thank Chairwoman WATERS for her work on this bill. I am delighted the House is considering this important bill, H.R. 758, which I have had the pleasure to work on over the past year with my good friend from Illinois, Congressman FOSTER.

As a former community banker, I have dealt with the conflict of wanting to help law enforcement agencies when receiving a keep open letter, but not being able to because of the need to comply with the requirements set forth by a regulator, frequently and often in the middle of a bank exam.

Today, the overall purpose of this bill is to support law enforcement and reduce money laundering and terrorist financing through our banking system. That is why, along with my friend Mr. FOSTER, I was pleased to introduce this, as the chairwoman said, narrow, commonsense bill, which enables partnerships without repercussions between law enforcement and our local financial institutions.

This legislation allows law enforcement to monitor cash flows associated with criminal investigations at finan-

cial institutions. Under the Bank Secrecy Act and anti-money laundering regulations, banks face strict rules for managing accounts so that they cannot facilitate money laundering, terrorism financing, drug running, and other illegal activities.

Sometimes, banks receive notices from law enforcement agencies known as keep open letters to encourage them to keep an account open so that law enforcement can monitor what they think to be and suspect to be criminal activity and track the payments for better monitoring.

I have heard recently from banks that they are seeing an increase in the number of keep open letters, many of which can be attributable to new human trafficking investigations. Allowing banks to keep these accounts open will help stop these terrible criminal actions.

Currently, if banks help law enforcement and comply with the keep open letter request, they face the risk of being penalized by someone from the same regulatory agency. This commonsense bill supports those efforts by law enforcement by allowing financial institutions to comply with such requests to maintain a suspicious account without being penalized in the middle of a bank exam. Under this bill, no Federal department or agency may take an adverse supervisory action with respect to the financial institution that is keeping the account open.

As the chairwoman said, last Congress, this legislation unanimously passed out of our House Financial Services Committee and passed under the suspension of the rules. The legislation was also included as a provision last Congress in the JOBS 3.0 package.

Chairman WATERS and former Chairman Hensarling made fighting illicit finance a priority for our committee. Given the strong bipartisanship, I urge my colleagues on both sides of the aisle to support this measure. It will give law enforcement the tools it needs to prosecute bad actors who are exploiting our financial system.

I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. FOSTER).

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Mr. FOSTER. Mr. Speaker, I thank Chairwoman WATERS for yielding.

Mr. Speaker, I would like to start by thanking the chairwoman for bringing up this bipartisan bill today and for maintaining bipartisan momentum in the areas where bipartisan agreement is achievable. Chairwoman WATERS and her staff were instrumental in passing this bill in the last Congress and including it in JOBS 3.0.

I would also like to thank my friend, Congressman HILL, for working on the Cooperate with Law Enforcement Agencies and Watch Act, the CLAW Act, with me.

I am proud to support this bill, which passed with very strong bipartisan sup-

port in the last Congress, a 55–0 vote in the Financial Services Committee, a 379–4 vote on the House floor.

This bill creates a commonsense safe harbor from Bank Secrecy Act liability for a bank that keeps an account open at the request of law enforcement. For background, law enforcement agencies sometimes send what are called keep open letters to financial institutions so that they can obtain critical evidence in investigations by following the money.

While following these law enforcement requests is optional, agreeing to them does, in fact, create a technical violation of the Bank Secrecy Act. This complicates the decision for a financial institution that should be simple. This could, in fact, undermine our efforts to prevent illicit finance or money laundering.

This bill will enhance the ability of the law enforcement community to track funds in a criminal investigation, leading to better evidence and, hopefully, conviction of criminals higher up in the hierarchy. To be clear, nothing in this bill takes away from financial regulators' safety and soundness powers, and financial institutions still have to file SARs when they have a keep open letter.

In addition, this bill requires that the keep open letters have a definite duration but does not preclude law enforcement from sending subsequent letters to extend the period, should the investigation continue.

This bill is a great example of how Democrats and Republicans can come together on a number of issues of common interest.

In a world in which criminals and criminal organizations have access to increasingly sophisticated tools and technologies to carry out their criminal activities, we should help financial institutions in leveling the playing field to bring these criminals to justice.

This bill follows other commonsense, bipartisan efforts that I have supported to modernize our Nation's ability to confront dangerous criminals and criminal organizations. I recently introduced with Congressman KUSTOFF the CONFRONT Act, which would require the Treasury Department to develop a national strategy to combat the financial crimes of transnational criminal organizations and individuals. I am hopeful that this bill can also be passed in the near future with similarly strong bipartisan support.

This bill today is an important measure that allows financial institutions to effectively assist with combating crimes such as money laundering and illicit financing, and I urge my colleagues to support this bill.

Mr. HILL of Arkansas. Mr. Speaker, I have no further speakers on this side of the aisle.

Mr. Speaker, in closing, I would just simply urge, with the work done by Mr. FOSTER and myself, and with thanks to

the Chair, that we have strong bipartisan support in favor of H.R. 758, and I yield back the balance of my time.

Ms. WATERS. Mr. Speaker, I am pleased that Mr. HILL and Mr. FOSTER have brought this measure to the House on a bipartisan basis. It will help provide law enforcement more access to the critical information it needs and in a timely manner.

Mr. Speaker, I urge my colleagues to join me in supporting this important piece of legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and pass the bill, H.R. 758, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. WATERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

THE BUDGET MESSAGE OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 116-3)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In just over 2 years, together with the American people, we have launched an unprecedented economic boom. Since I was elected, we have created more than 5 million new jobs, including half a million manufacturing jobs. Nearly 5 million Americans have been lifted off food stamps. Unemployment is the lowest in nearly half a century. African American unemployment, Hispanic American unemployment, and Asian American unemployment rates have all reached historic lows. Our Nation is experiencing an economic miracle—and it is improving the lives of all our citizens.

We have achieved these extraordinary gains thanks to historic tax cuts and an unprecedented regulatory reduction campaign, through unleashing American energy production, systematically fixing bad trade deals, and remaining absolutely committed to putting the needs of the American worker first.

My Administration worked with the Congress to pass unprecedented legislation to confront the opioid crisis, a sweeping new farm bill, groundbreaking criminal justice reform, major investments to rebuild the military, and historic Department of

Veterans Affairs reforms to ensure that our great veterans have access to high quality healthcare.

We are also making our communities safer. To target violent crime, my Administration has increased support for Federal, State, and local law enforcement. We have added nearly 200 new violent crime prosecutors across the United States. And last year, the Department of Justice prosecuted more violent crimes than ever before. As a result, violent crime is falling.

My Administration is confronting the national security and humanitarian crisis on our southern border, and we are accepting the moral duty to create an immigration system that protects the lives and jobs of our citizens. This includes our obligation to the millions of immigrants living in the United States today who followed the rules and respected our laws.

In the 20th century, America saved freedom, transformed science, and defined the middle class standard of living. Now we must write the next chapter of the great American adventure, turbo-charging the industries of the future and establishing a new standard of living for the 21st century. An amazing quality of life for all of our citizens is within reach. We can make our communities safer, our families stronger, our culture richer, our faith deeper, and our middle class bigger and more prosperous than ever before.

We are now addressing our challenges from a position of strength. My 2020 Budget builds on the tremendous progress we have made and provides a clear roadmap for the Congress to bring Federal spending and debt under control. We must protect future generations from Washington's habitual deficit spending.

This year, I asked most executive departments and agencies to cut their budgets by at least 5 percent. In addition to reflecting those reductions, my Budget invests in the following priorities:

Securing our Borders and Protecting our Sovereignty. As President, my highest duty is the defense of our Nation—which is why finishing the border wall is an urgent national priority. All who are privileged to hold elected office must work together to create an immigration system that promotes wage growth and economic opportunity, while preventing drugs, terrorism, and crime from entering the United States. Immigration policy, like all policy, must serve the interests of Americans living here today—including the millions of new Americans who came here legally to join our national family. The American people are entitled to a strong border that stops illegal immigration, and a responsible visa policy that protects our security and our workforce. My Budget continues to reflect these priorities, and I look forward to working with the Congress to finish the border wall and build a safe, just, and lawful immigration system that will benefit generations of Americans to come.

Preserving Peace through Strength. A strong military, fully integrated with our allies and all our instruments of power, enables our Nation to deter war, preserve peace, and, if necessary, defeat aggression against United States interests. To that end, my Budget requests \$750 billion for national defense, an increase of \$34 billion, or 5 percent, from the 2019 enacted level. The Budget funds the National Security Strategy and National Defense Strategy, building on the major gains we have already made throughout the world.

Protecting our Veterans. Our Nation's brave warriors and defenders deserve the best care America has to offer—both during and after their active service. Last year, I signed into law the historic VA MISSION Act of 2018 to reform and transform the Department of Veterans Affairs healthcare system into an integrated system for the 21st century. My Budget fully funds all requirements for veterans' healthcare services and provides additional funding to implement the VA MISSION Act of 2018.

Investing in America's Students and Workers. To help protect taxpayer dollars, my Budget continues my request to create an educational finance system that requires postsecondary institutions that accept taxpayer funds to have skin in the game through a student loan risk-sharing program. My Administration will also continue to seek expanded Pell Grant eligibility for high-quality, short-term programs in high-demand fields, so that students and workers can quickly gain valuable skills at a more affordable cost and obtain family-sustaining jobs. We must create and invest in better opportunities for our Nation's students and job seekers, while ensuring that we do so in a more efficient and effective manner.

Research for Childhood Cancers. Many childhood cancers have not seen new therapies in decades. My Budget initiates a new effort that invests \$500 million over the next 10 years to support this critical life-saving research.

Defeating HIV/AIDS in America. The HIV epidemic still plagues our Nation, with more than 38,000 Americans infected every year. In response, my Budget provides \$291 million to the Department of Health and Human Services to defeat the HIV/AIDS epidemic. The goal is to eliminate most new infections within 5 years (75 percent) and nearly all within 10 years (90 percent). This initiative will focus efforts on diagnosis, prevention, and treatment efforts in the locations where intense transmissions of the virus are driving the epidemic.

Confronting the Opioid Epidemic. My Budget continues historic levels of funding for our law enforcement, prevention, and treatment efforts to combat the opioid and drug addiction epidemic.

Supporting Working Families. America must also lead in supporting the