

NRSROs, there are still companies left on the sidelines. This bill will ensure small and mid-sized businesses have access to the facilities that provide necessary support.

An open and transparent process is essential to the success of the emergency facilities. This bill supports that process.

Mr. Speaker, I urge my colleagues to support the bill, and I reserve the balance of my time.

Mr. SHERMAN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Pennsylvania (Ms. DEAN), the author of this legislation.

Ms. DEAN. Mr. Speaker, I thank my colleague and friend and chair for yielding, and I thank my colleague on the other side of the aisle for his support for this bill.

Mr. Speaker, I rise in support of H.R. 6934, the Uniform Treatment of NRSROs Act.

NRSROs are nationally recognized statistical rating agencies. This is a bipartisan bill that addresses businesses' need for greater access to Federal lending facilities in the time of COVID and a uniform treatment of credit rating agencies in the application process for these much-needed loans.

In response to the economic crisis resulting from the COVID-19 pandemic, several lending facilities have been created to assist struggling businesses at this difficult time. The Federal Reserve and Treasury, however, have limited access to these facilities to businesses whose assets have been rated by only a select few credit rating agencies, making it unnecessarily difficult for many businesses to access much-needed resources.

In Pennsylvania alone, several small and mid-sized companies as well as municipal bond issuers have been excluded from the facilities or have their ratings from nonapproved rating agencies called into question by the market.

This legislation seeks to remove these barriers by amending the CARES Act to require that the Federal Reserve and Treasury accept ratings from any nationally recognized statistical rating organization, or NRSRO. This would have the effect of opening up access to the facilities to issuers with a rating from any duly recognized NRSRO that has been approved in the relevant asset class by the SEC.

This legislation would also require the Comptroller General to issue, within 1 year of enactment, a study on the quality of credit rating agencies across NRSROs, including during the 2008 crisis. The study would also explore the effect of competition on the quality of credit ratings and on the ability of small and mid-sized companies and financial institutions to access the capital markets.

At a time of unprecedented economic uncertainty, we need to make sure that small and mid-sized businesses have access to capital markets needed to survive and recover. By expanding eligible NRSROs, this legislation opens up ac-

cess, transparency, and healthy competition, without compromising quality, at a time when it is needed most.

Mr. Speaker, I thank Chairwoman WATERS, the Financial Services Committee staff, and, importantly, my Republican colead, Representative ANDY BARR, for their work on this legislation to help struggling businesses get the capital they need.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. TIMMONS. Mr. Speaker, I am prepared to close.

I would simply urge my colleagues to support H.R. 6934, and I yield back the balance of my time.

Mr. SHERMAN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I again would like to thank my colleague from Pennsylvania (Ms. DEAN) for introducing, supporting, and, in effect, passing this legislation here today. It will help qualified issuers have access to lending facilities; it will ensure that that access to facilities is granted on terms that are clear; and it will ensure that Congress' legislative intent is carried out and is consistent with the policy of Congress that we have focused on in the Investor Protection, Entrepreneurship, and Capital Markets Subcommittee to make sure that we are not overly reliant on just three credit rating agencies.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. SHERMAN) that the House suspend the rules and pass the bill, H.R. 6934, as amended.

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

A motion to reconsider was laid on the table.

#### STOPPING TRAFFICKING, ILLICIT FLOWS, LAUNDERING, AND EXPLOITATION ACT OF 2020

Mr. SHERMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7592) to require the Comptroller General of the United States to carry out a study on trafficking, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7592

*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 "Stopping Trafficking, Illicit Flows, Laundering, and Exploitation Act of 2020" or the "STIFLE Act of 2020".

#### SEC. 2. FINDINGS.

The Congress finds the following:

(1) Trafficking is a national-security threat and an economic drain of our resources.

(2) As the U.S. Department of the Treasury's recently released "2020 National Strategy for Combating Terrorist and Other Illicit

Financing" concludes, "While money laundering, terrorism financing, and WMD proliferation financing differ qualitatively and quantitatively, the illicit actors engaging in these activities can exploit the same vulnerabilities and financial channels."

(3) Among those are bad actors engaged in trafficking, whether they trade in drugs, arms, cultural property, wildlife, natural resources, counterfeit goods, organs, or, even, other humans.

(4) Their illegal (or "dark") markets use similar and sometimes related or overlapping methods and means to acquire, move, and profit from their crimes.

(5) In a March 2017, report from Global Financial Integrity, "Transnational Crime and the Developing World", the global business of transnational crime was valued at \$1.6 trillion to \$2.2 trillion annually, resulting in crime, violence, terrorism, instability, corruption, and lost tax revenues worldwide.

#### SEC. 3. GAO STUDY.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on—

(1) the major trafficking routes used by transnational criminal organizations, terrorists, and others, and to what extent the trafficking routes for people (including children), drugs, weapons, cash, child sexual exploitation materials, or other illicit goods are similar, related, or cooperative;

(2) commonly used methods to launder and move the proceeds of trafficking;

(3) the types of suspicious financial activity that are associated with illicit trafficking networks, and how financial institutions identify and report such activity;

(4) the nexus between the identities and finances of trafficked persons and fraud;

(5) the tools, guidance, training, partnerships, supervision, or other mechanisms that Federal agencies, including the Department of the Treasury's Financial Crimes Enforcement Network, the Federal financial regulators, and law enforcement, provide to help financial institutions identify techniques and patterns of transactions that may involve the proceeds of trafficking;

(6) what steps financial institutions are taking to detect and prevent bad actors who are laundering the proceeds of illicit trafficking, including data analysis, policies, training procedures, rules, and guidance;

(7) what role gatekeepers, such as lawyers, notaries, accountants, investment advisors, logistics agents, and trust and company service providers, play in facilitating trafficking networks and the laundering of illicit proceeds; and

(8) the role that emerging technologies, including artificial intelligence, digital identity technologies, blockchain technologies, virtual assets, and related exchanges and online marketplaces, and other innovative technologies, can play in both assisting with and potentially enabling the laundering of proceeds from trafficking.

(b) CONSULTATION.—In carrying out the study required under subsection (a), the Comptroller General shall solicit feedback and perspectives to the extent practicable from survivor and victim advocacy organizations, law enforcement, research organizations, private-sector organizations (including financial institutions and data and technology companies), and any other organization or entity that the Comptroller General determines appropriate.

(c) REPORT.—The Comptroller General shall issue one or more reports to the Congress containing the results of the study required under subsection (a). The first report shall be issued not later than the end of the 15-month period beginning on the date of the enactment of this Act. The reports shall contain—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) recommendations for any legislative or regulatory changes necessary to combat trafficking or the laundering of proceeds from trafficking.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. SHERMAN) and the gentleman from South Carolina (Mr. TIMMONS) each will control 20 minutes.

The Chair recognizes the gentleman from California.

#### GENERAL LEAVE

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

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

There was no objection.

Mr. SHERMAN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 7592, the Stopping Trafficking, Illicit Flows, Laundering, and Exploitation Act of 2020, the STIFLE Act, introduced by Representatives MCADAMS and GONZALEZ.

This bill would commission the Government Accountability Office to study and analyze the converging attributes of transnational trafficking networks. These shared or overlapping characteristics and methods, such as supply chains, facilitators, or gatekeepers, and the movement of finances make it possible for traffickers in a host of different areas to move their illicit proceeds and evade detection.

By better understanding the “business models” that underlie these networks, we can better combat their terrible acts in a host of different areas, ranging from selling illicit drugs to trafficking in modern slavery. We have focused on illicit trafficking—human trafficking, drug trafficking, et cetera—in the Foreign Affairs Committee.

Mr. Speaker, I commend the members of the Financial Services Committee for focusing on this issue, since the linchpin, the Achilles heel, of many of these trafficking networks is their financial movements, their access to the financial system, and this may be the way to accomplish an awful lot to stop this illicit trafficking.

The STIFLE Act is part of the House Financial Services Committee’s bipartisan Counter-Trafficking Initiative, introduced in March to address this pervasive issue that is a threat to all of our constituents and communities.

Human trafficking, drug trafficking, wildlife trafficking, and the proliferation of weapons of mass destruction are just a few examples of the illicit markets that generate an estimated \$2.2 trillion, annually. The resulting proceeds and instability benefit bad actors, while threatening the environ-

ment, civil society, individuals on our streets, our economy, our national security, and, of course, the human rights of so many thousands of people who are trafficked around the world.

Mr. Speaker, I thank Mr. MCADAMS and Mr. GONZALEZ for introducing this bill to help identify concrete opportunities for action to combat these criminals and terrorists who engage in this illicit trade by focusing on our financial system. For these reasons, I urge my colleagues to support H.R. 7592.

Mr. Speaker, I reserve the balance of my time.

□ 1630

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

Mr. Speaker, I rise in support of H.R. 7592, the STIFLE Act of 2020.

Mr. Speaker, in March of 2020, the Financial Services Committee launched its bipartisan Counter-Trafficking Initiative to explore and expose the breadth of transnational trafficking networks and their illicit financial systems.

As we learned during our additional counter-trafficking hearing, transnational criminal organizations rarely limit their trafficking to one sector. Often, these criminals will acquire and traffic anything that will bring them a profit. Needless to say, these criminals have been successful in their efforts.

Global Financial Integrity, an NGO that studies illicit financial flows, estimates that the global business of transnational crime is valued between \$1.6 trillion to \$2.2 trillion annually. To be frank, Mr. Speaker, we have a lot of work to do.

Following our counter-trafficking hearing this Congress, Mr. MCADAMS and Mr. GONZALEZ worked diligently and across party lines to craft a thoughtful piece of legislation to help to answer some of the outstanding questions trafficking experts brought before the committee in March.

H.R. 7592 instructs the Comptroller General to carry out a detailed study on trafficking issues. This would range from the major routes trafficking networks use, how these criminals launder and move the proceeds of their crimes, suspicious activity that law enforcement can focus on when investigating these crimes, and the steps financial institutions are taking to detect and prevent bad actors who are laundering the proceeds of trafficking.

H.R. 7592 is exactly the type of bill we as policymakers need, to learn how these illicit activities are being carried out and what we must do to make it as hard as possible for these criminals to succeed.

I would like to thank both Congressman MCADAMS as well as Congressman GONZALEZ for taking the Counter-Trafficking Initiative seriously and coming away from our initial hearing with an understanding that there is more work that needs to be done to deal with illicit trafficking.

I look forward to working with both of them as we continue in our efforts to end trafficking once and for all.

I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. SHERMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Utah (Mr. MCADAMS).

Mr. MCADAMS. Mr. Speaker, I rise in support of the Stopping Trafficking, Illicit Flows, Laundering and Exploitation Act of 2020, or the STIFLE Act of 2020, bipartisan legislation that I introduced with my colleague, Representative ANTHONY GONZALEZ, from Ohio.

Trafficking is a scourge on society, leaving millions of victims in its wake. Recent reports show that the global business of transnational crime is valued at between \$1.6 to \$2.2 trillion annually, resulting in crime, violence, terrorism, corruption, and human suffering.

Illicit actors engaged in trafficking—whether in drugs, arms, wildlife, organs, or humans—use dark markets to finance and hide their horrific activities and their profits. We need to identify, disrupt, and prosecute these financial networks to stop these abhorrent crimes. And that is what the STIFLE Act does.

The STIFLE Act activates tools, partnerships, and guidance of a number of Federal agencies to help financial institutions identify techniques and patterns of transactions that may involve the proceeds of trafficking.

The legislation requires a report to Congress with recommended actions necessary to combat trafficking or money laundering of the proceeds.

We must attack trafficking networks from all sides, using any effective approach. Targeting the finances of these networks is a key way that we can crack down on these illicit activities.

The STIFLE Act is just one component of the bipartisan Counter-Trafficking Initiative that the Financial Services Committee launched earlier this year. The long-term committee effort is designed to explore and expose the breadth and reach of international transnational trafficking networks and their illicit finances.

I thank Chairwoman WATERS and Ranking Member MCHENRY for focusing our committee on this important work.

Mr. Speaker, we must do more to protect innocent victims of trafficking and take down the trafficking networks that prey upon our most vulnerable. This bipartisan bill is a step in that direction.

Mr. Speaker, I urge my colleagues to support this important legislation.

Mr. TIMMONS. Mr. Speaker, I simply urge my colleagues to support H.R. 7592, and I yield back the balance of my time.

Mr. SHERMAN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing, understanding the business of trafficking—

whether it be illicit drugs, whether it be human trafficking, whether it be terrorism, et cetera—is fundamental to stopping transnational crime, and the harm that it causes and the victims it creates in communities worldwide.

The House Financial Services Committee's bipartisan Counter-Trafficking Initiative is a comprehensive approach to this challenge and is a very important adjunct to the Foreign Affairs Committee's work to stop illicit trafficking, particularly human trafficking.

We need to examine these illicit networks as a whole, whether they engage in narcotics, timber, endangered species, rare earths, or, tragically, human trafficking of men and women—modern slavery.

So I look forward to all of the committees of this Congress focusing on these criminal traffickers. H.R. 7592, the STIFLE Act, is a significant piece of that effort, tapping into the knowledge from survivor and victim advocacy organizations, law enforcement, regulators, research organizations, and the private sector to be able to focus on the financial system and make sure that we keep these traffickers at bay and out of the financial system as much as possible.

Mr. Speaker, I urge my colleagues to support this legislation which is an important step to protecting our citizens, our economy, and our national security.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. SHERMAN) that the House suspend the rules and pass the bill, H.R. 7592.

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.

## COVID-19 FRAUD PREVENTION ACT

Mr. SHERMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6735) to establish the Consumer and Investor Fraud Working Group to help protect consumers and investors from fraud during the COVID-19 pandemic, to assist consumers and investors affected by such fraud, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6735

*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 "COVID-19 Fraud Prevention Act".

### SEC. 2. CONSUMER AND INVESTOR FRAUD WORKING GROUP.

(a) ESTABLISHMENT.—Not later than the end of the 30-day period beginning on the date of enactment of this Act, the Director of the Bureau of Consumer Financial Protec-

tion and the Securities and Exchange Commission shall, jointly, establish a working group to be known as the "Consumer and Investor Fraud Working Group" (the "Working Group").

(b) DUTIES.—The Working Group shall facilitate collaboration between the Bureau of Consumer Financial Protection and the Securities and Exchange Commission on—

(1) providing resources to consumers and investors to avoid fraud during the COVID-19 pandemic;

(2) providing resources, including information on the availability of legal aid resources, to consumers and investors who have been adversely impacted by such fraud; and

(3) such other topics as the Working Group determines appropriate.

(c) COORDINATION WITH OTHER AGENCIES.—In carrying out the duties described under subsection (b), the Working Group shall coordinate and collaborate with other Federal and State government agencies, as appropriate.

(d) QUARTERLY REPORT.—The Working Group shall issue a quarterly report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the progress of the Working Group and summarizing—

(1) the resources made publicly available to consumers by the Working Group;

(2) any public enforcement action taken jointly or individually by any member of the Working Group;

(3) the number and description of consumer complaints received by the Bureau of Consumer Financial Protection and the Securities and Exchange Commission regarding fraud related to the COVID-19 pandemic; and

(4) any other actions of the Working Group.

(e) SUNSET.—This section shall cease to have any force or effect on and after December 31, 2021.

### 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 gentleman from California (Mr. SHERMAN) and the gentleman from South Carolina (Mr. TIMMONS) each will control 20 minutes.

The Chair recognizes the gentleman from California.

#### GENERAL LEAVE

Mr. SHERMAN. 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 insert extraneous material thereon.

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

There was no objection.

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

Mr. Speaker, I rise to commend the gentleman from Utah on the passage of his bill, and I rise to support H.R. 6735, the COVID-19 Fraud Prevention Act, which is authored and put forward by Congresswoman CINDY AXNE.

I support this legislation and I thank my colleague from Iowa for her leadership in bringing it forward. Congresswoman AXNE's legislation will mark a major step in improving efforts to protect consumers and investors alike by requiring the Consumer Financial Protection Bureau, the CFPB, and the Securities and Exchange Commission, the SEC, to establish a joint working group with the purpose of addressing and preventing predatory and deceptive financial practices during this COVID-19 crisis.

Under this bill, this joint CFPB-SEC working group will be required to consult and collaborate with other Federal and State agencies, where appropriate, to ensure fraud does not slip through the cracks during this COVID-19 pandemic and appropriately report their efforts to Congress.

As we know, unfortunately, in times of uncertainty like the one we face today, predatory actors can and have sought to take advantage of confusion and financial vulnerability, and to take advantage even of desperation from struggling consumers and struggling homeowners who need help. These actors cause even further damage to communities that are already hit by the crisis of the pandemic and the economic downturn.

The 2008 crisis is an example of how much financial devastation that predatory and deceitful actors can wreak on our communities, especially when Federal regulators don't have the tools to cooperate and put a stop to it. Families that are still impacted by that phase of unchecked, toxic lending now have yet another crisis to contend to as we must deal with the COVID crisis.

As chair of the Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets, I note that investors, too, are at risk of being defrauded and misled by fraudulent investment schemes.

As during other times of crises, investors are at risk of being defrauded and misled by so-called investment opportunities claiming to have some novel information, cures, or vaccines, but are really part of a pump-and-dump scheme where fraudsters intentionally use false and misleading information to boost the price of a stock or other investment and then sell the shares when the stock rises but before the manipulation is detected.

Congresswoman AXNE's legislation will help ensure that the CFPB and the SEC, as well as other Federal and State agencies they work with, will work collaboratively to identify problematic patterns and work to prevent future schemes where consumers and investors get ripped off.

I commend Mrs. AXNE for her work in drafting this legislation, and if I may be a little premature, I also commend the gentlewoman on getting this legislation passed through the House today.

I urge Members to support this legislation, and I reserve the balance of my time.