

118TH CONGRESS
1ST SESSION

H. R. 1076

IN THE SENATE OF THE UNITED STATES

MAY 30, 2023

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To require the Comptroller General of the United States to carry out a study on the trafficking into the United States of synthetic drugs, and related illicit finance, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Preventing the Financ-
3 ing of Illegal Synthetic Drugs Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) According to the Center for Disease Control
7 and Prevention, over 107,000 people in the United
8 States died from drug overdoses or drug poisonings
9 in the 12-month period ending January 2022, with
10 67 percent of those deaths involving synthetic
11 opioids like fentanyl.

12 (2) According to the United National Office of
13 Drugs and Crime (UNODC) in its “Synthetic Drug
14 Strategy 2021-2025”, the number of synthetic
15 drugs, also called New Psychoactive Substances, has
16 increased 631 percent since 2009, with traffickers
17 introducing an average of 80 new substances to the
18 illicit drug market each year from 2009-2019.

19 (3) In October 2022, F. Michael McDaniel, di-
20 rector of the Houston High Intensity Drug Traf-
21 ficking Areas (HITDA) program testified in Con-
22 gress that one kilogram of fentanyl can produce one
23 million counterfeit pills containing one milligram of
24 fentanyl, saying, “Currently in Houston, Texas, you
25 can buy a kilogram of fentanyl for an average price
26 of \$25,000 to \$30,000. This same kilogram of

1 fentanyl in Culiacán (Mexico) could be purchased at
2 an average price of \$13,500. Currently, the price of
3 a fentanyl pill in Houston ranges from \$6 to \$65.
4 Therefore, an illicit investment of \$30,000 or less
5 could result in a return of \$6 to \$32.5 million.”.

6 (4) According to Celina B. Realuyo, Adjunct
7 Professor, The George Washington University Elliott
8 School of International Affairs, in March 2022 Con-
9 gressional testimony, “Financing is essential to sup-
10 port and sustain the command and control, per-
11 sonnel, arms, communications, logistics and oper-
12 ations of organized crime groups. For this reason,
13 following the money trail and depriving criminals of
14 illicit financial flows can disrupt and disable these
15 networks.”.

16 **SEC. 3. GAO STUDY ON SYNTHETIC DRUGS TRAFFICKING.**

17 (a) STUDY.—The Comptroller General of the United
18 States shall carry out a study on illicit financing in con-
19 nection with the trafficking of synthetic drugs, including
20 fentanyl and methamphetamine, fentanyl- and meth-
21 amphetamine-related substances, Captagon, and fentanyl
22 and methamphetamine precursors, including—

23 (1) the business of the trafficking of synthetic
24 drugs and related illicit finance, such as the partici-
25 pation of transnational criminal organizations and

1 terror syndicates and their notable trafficking cor-
2 ridors, including source and transit countries;

3 (2) the business models used by these
4 transnational criminal organizations, including U.S.
5 domestic and foreign activities for precursor pur-
6 chase or production, movement along the supply
7 chain, manufacture of the completed product, mar-
8 keting, distribution, sales, and return of proceeds;

9 (3) the overlap of the business model of human
10 trafficking and the trafficking of synthetic drugs
11 and related illicit finance;

12 (4) the use of online illicit drug markets and
13 the use of social media for the marketing, sale, and
14 payment for synthetic drugs;

15 (5) financial methods used by such
16 transnational criminal organizations, including—

17 (A) payment;

18 (B) money laundering; and

19 (C) repatriation of proceeds;

20 (6) the use of social media applications like
21 Snap Chat, Discord, and Facebook and payment ap-
22 plications like CashApp to facilitate financial trans-
23 actions for synthetic drug trafficking, especially
24 among young people; and

1 (7) U.S. Government activities to combat illicit
2 finance related to the trafficking of synthetic drugs,
3 including—

4 (A) interagency collaboration, including
5 personnel detailed to other agencies to support
6 the effort to combat synthetic drugs trafficking
7 and related illicit finance;

8 (B) intergovernmental collaboration;

9 (C) intersectoral collaboration with the pri-
10 vate sector, including the business and non-gov-
11 ernmental communities; and

12 (D) identified gaps or resource deficiencies
13 in combating the trafficking of synthetic drugs
14 and related illicit finance in the coordination
15 and collaboration activities described in sub-
16 paragraphs (A) through (C).

17 (b) REPORT REQUIRED.—Not later than the end of
18 the 1-year period beginning on the date of enactment of
19 this Act, the Comptroller General shall issue a report to
20 the Congress containing all findings and determinations

1 made in carrying out the study required under subsection
2 (a).

Passed the House of Representatives May 22, 2023.

Attest: CHERYL L. JOHNSON,
Clerk.

By LISA P. GRANT,
Deputy Clerk.