118TH CONGRESS
1ST SESSION

H. R. 3638

To direct the Director of the Office of Management and Budget to require the disclosure of violations of Federal law with respect to human trafficking or alien smuggling, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2023

Mr. Gooden of Texas (for himself, Mr. Tiffany, Mr. Rosendale, Mr. Donalds, Mr. Gosar, Mr. Babin, Mr. Weber of Texas, Mr. Sessions, Mr. Moore of Alabama, Mr. Santos, and Mr. Brecheen) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Oversight and Accountability, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Director of the Office of Management and Budget to require the disclosure of violations of Federal law with respect to human trafficking or alien smuggling, 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,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting Federal Funds from Human Trafficking and Smuggling Act of 2023”.

SEC. 2. MANDATORY DISCLOSURES OF HUMAN TRAFFICKING AND ALIEN SMUGGLING.

(a) LIMITATION ON AWARD OF FEDERAL FUNDS.—

(1) FUTURE RECIPIENTS.—Beginning not later than 120 days after the date of the enactment of this Act, no Federal funds may be awarded to a non-profit entity unless such entity submits to the Director of the Office of Management and Budget a certification that the entity is in compliance with Federal law with respect to human trafficking, alien smuggling, fraud, bribery, or gratuity and has not been convicted of an offense under section 274 of the Immigration and Nationality Act (8 U.S.C. 1324).

(2) CURRENT AND PRIOR RECIPIENTS.—Not later than 60 days after the date of the enactment of this Act, each non-profit entity that is in receipt of awarded Federal funds as of the date of the enactment of this Act, or was awarded Federal funds prior to January 1, 2021, shall submit to the Director of the Office of Management and Budget a certification that the entity is in compliance with Fed-
eral law with respect to human trafficking, alien smuggling, fraud, bribery, or gratuity and has not been convicted of an offense under section 274 of the Immigration and Nationality Act (8 U.S.C. 1324). If the entity does not submit the certification, or is determined by the Director of the Office of Management and Budget to have violated section 274 of the Immigration and Nationality Act (8 U.S.C. 1324), the entity shall repay any such funds awarded.

(b) DENIAL OF TAX EXEMPTION.—Section 503 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(g) DENIAL OF EXEMPTION FOR NOT MEETING CERTAIN CERTIFICATION REQUIREMENT.—

“(1) IN GENERAL.—An organization described in section 501(c) shall not be exempt from taxation under section 501(a) if such organization does not submit the certification required pursuant to section 2(a) of the ‘Protecting Federal Funds from Human Trafficking and Smuggling Act of 2023’, or is determined by the Director of the Office of Management and Budget to have violated section 274 of the Immigration and Nationality Act (8 U.S.C. 1324).
“(2) Re-application for exemption.—Not sooner than one year after the date on which an organization described in section 501(c) is not exempt pursuant to paragraph (1), such organization may reapply to be exempt from taxation under section 501(a).”.

(c) Reporting Requirement.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Homeland Security shall—

(1) develop a written strategy and best practices guide for non-profit entities to ensure they are in compliance with Federal law, including how to detect, deter, and report human trafficking and alien smuggling;

(2) publish on the internet website of the Department of Homeland Security information on violations of any non-profit entity as it pertains to compliance with State and Federal laws with respect to human trafficking, and alien smuggling; and

(3) develop a written strategy to improve cooperation with non-profit entities, State, and Federal law enforcement agencies with respect to improving cooperation on deterring, detecting, reporting, and removing aliens.
(d) Report by Comptroller General.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the Comptroller General of the United States shall report to Congress on each violation by a non-profit entity to certify under subsection (a).

(e) Applicability.—The requirement under subsection (a) shall apply to any non-profit entity awarded Federal funding, including a non-profit entity who has an agreement, contract, award, or relationship with the Federal Government on the date of the enactment of this Act.

SEC. 3. VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS.