119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–370

KLEPTOCRACY ASSET RECOVERY REWARDS PROGRAM ACT

NOVEMBER 4, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

R E P O R T

[To accompany H.R. 5344]

The Committee on Financial Services, to whom was referred the bill (H.R. 5344) to amend the Kleptocracy Asset Recovery Rewards Act to extend the Kleptocracy Asset Recovery Rewards Pilot Program, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Kleptocracy Asset Recovery Rewards Program Act".

69–006

SEC. 2. KLEPTOCRACY ASSET RECOVERY REWARDS PROGRAM.

(a) IN GENERAL.—Section 9703 of the Kleptocracy Asset Recovery Rewards Act (31 U.S.C. note prec. 9701) is amended—

(1) in the heading, by striking **"KLEPTOCRACY ASSET RECOVERY REWARDS PILOT PROGRAM"** and inserting "**KLEPTOCRACY ASSET RECOVERY REWARDS PROGRAM**";

(2) in subsection (a)(1), by striking "'Kleptocracy Asset Recovery Rewards Pilot Program'" and inserting "'Kleptocracy Asset Recovery Rewards Program";

(3) in subsection (g)(1), by striking "for 3 years"; and

(4) by striking subsection (i) and inserting the following:

"(i) SUNSET.—This section shall cease to have any force or effect after the end of the 7-year period beginning on the date of enactment of the Kleptocracy Asset Recovery Rewards Program Act.".

(b) CONFORMING AMENDMENT.—The table of contents in section 2(b) and in title XCVII of the National Defense Authorization Act for Fiscal Year 2021 are each amended, in the item relating to section 9703, by striking "Kleptocracy Asset Recovery Rewards Pilot Program" and inserting "Kleptocracy Asset Recovery Rewards Program".

PURPOSE AND SUMMARY

H.R. 5344, the *Kleptocracy Asset Recovery Rewards Program Act* was introduced on September 15, 2025, by Democratic Representative Stephen Lynch (MA–08). H.R. 5344 re-establishes a Treasury-based rewards program to incentivize identification of stolen assets that are linked to foreign government corruption.

BACKGROUND AND NEED FOR LEGISLATION

In the 116th Congress, a version of this bill was passed into law through the *FY2021 National Defense Authorization Act*. It established a three-year pilot program to incentivize identification of stolen assets that are linked to foreign government corruption. The pilot program launched in March 2022, and the program lapsed on January 1, 2024.[1] This bill would reestablish this program at Treasury.

According to World Economic Forum data, it is estimated that more than $3.6 trillion in bribes and stolen money are paid worldwide every year, with an additional $1.6 trillion lost to money laundering.[2] This corruption has a significant impact on developing countries, with estimates as high as $40 billion per year stolen by public officials, per a 2010 estimate.[3] Addressing such corruption and its cross-border impact has become an increasing focus of the international community.

The United Nations Convention Against Corruption (Convention) ratified by the United States on October 30, 2006, introduces a comprehensive set of standards that its 140 signatories and 191 Parties apply to strengthen domestic and international anticorruption regimes.[4] Significantly, this multilateral agreement includes a chapter on asset recovery, aimed at completing the legal steps necessary to turn identified proceeds of crime into confiscated property and ultimately into assets that are recovered and re-

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[1] Press Release, U.S. Dep't of the Treasury, U.S. Departments of Treasury and Justice Launch Multilateral Russian Oligarch Task Force (Mar. 22, 2022), https://home.treasury.gov/news/press-releases/jy0659.

[2] *Corruption hurts our societies. This expert explains how to fight it*, WORLD ECONOMIC FORUM, https://www.weforum.org/videos/fighting-corruption-delia-ferreira-rubio/.

[3] *Asset Recovery and the Theft of Public Money*, TRANSPARENCY INTERNATIONAL, https://www.transparency.org/en/our-priorities/asset-recovery-and-the-theft-of-public-money#:~:text=According%20to%20a%202010%20estimate,of%20the%20UNCAC%20review%20process.

[4] Status of Treaties, United Nations Treaty Collection, https://treaties.un.org/pages/viewdetails.aspx?src=treaty&mtdsg_no=xviii-14&chapter=18.

turned to prior legitimate owners.[5] Member states maintain confiscated property as custodians for those from whom the property was stolen.

Further, the Convention is bolstered by bilateral and multilateral agreements to facilitate the recovery process, whether through Mutual Legal Assistance Treaties or other agreements made on a case-by-case basis pursuant to the Convention. Within the bounds of this anticorruption regime, countries that are part of the regimes (both the countries requesting and providing requested stolen asset recovery assistance) can determine the disposition of the recovered property and the parameters for allowing the government, that is the custodian of the confiscated stolen property, to keep a portion of the proceeds for administrative costs and other purposes.[6]

To assist in recovering these proceeds of crime for victims and to punish the bad acts of the criminals, this bill establishes a rewards program to incentivize individuals to notify the U.S. government of stolen assets linked to foreign corruption that are found in the U.S. or within U.S. financial institutions or held or controlled by U.S. persons. Rewards are paid with funds from the recovered stolen assets.

COMMITTEE CONSIDERATION

119TH CONGRESS

On September 15, 2025, the *Kleptocracy Asset Recovery Rewards Program Act*, was introduced by Representative Lynch with Representative Zach Nunn (R–IA) as an original cosponsor. The bill was referred solely to the Committee on Financial Services.

The bill was attached to the April 1, 2025, hearing titled "Following the Money: Tools and Techniques to Combat Fraud."

On September 16, 2025, the Committee on Financial Services met in open session to consider, among others, H.R. 5344. The Committee ordered H.R. 5344, as amended, to be favorably reported to the House of Representatives.

116TH CONGRESS

On January 9, 2019, H.R. 389, the *Kleptocracy Asset Recovery Rewards Act*, was introduced by Representative Lynch with Representatives Steve Cohen (D–TN) and Ted Budd (R–NC) as original cosponsors. Representatives Kathleen Rice (D–NY) and Brian Fitzpatrick (R–PA) were added subsequently as cosponsors. This bill is an earlier version of H.R. 5344. H.R. 389 was referred solely to the Committee on Financial Services. The bill was attached to the March 13, 2019, hearing titled "Promoting Corporate Transparency: Examining Legislative Proposals to Detect and Deter Crime." On March 28, 2019, the Committee ordered H.R. 389, as amended, to be favorably reported to the House of Representatives by voice vote. On May 14, 2019, the House suspended the rules and passed the bill by voice vote. It was received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs. There was no further action on H.R. 389 in the 116th Congress.

[5] UNITED NATIONS OFFICE ON DRUGS AND CRIME, UNITED NATIONS CONVENTION AGAINST CORRUPTION (2004).
[6] *Id.*

115TH CONGRESS

On February 27, 2018, H.R. 5101, the *Kleptocracy Asset Recovery Rewards Act*, was introduced by Representative Lynch with Representatives Keith Rothfus (R–PA), Kyrsten Sinema (D–AZ), James McGovern (D–MA), Norma Torres (D–CA), Maxine Waters (D–CA), Michael Capuano (D–MA), Budd, and Cohen as original cosponsors. This bill is an earlier version of H.R. 5344. The bill was referred solely to the Committee on Financial Services. There was no further action on H.R. 5101 in the 115th Congress.

114TH CONGRESS

On June 28, 2016, H.R. 5603, the *Kleptocracy Asset Recovery Rewards Act*, was introduced by Representative Lynch with Representative Rothfus as an original cosponsor. This bill is an earlier version of H.R. 5344. The bill was referred solely to the Committee on Financial Services. There was no further action on H.R. 5603 in the 114th Congress.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 5344:

The Subcommittee on National Security, Illicit Finance, & International Financial Institutions held a hearing on April 1, 2025, titled "Following the Money: Tools and Techniques to Combat Fraud." A discussion draft version of the bill was attached to the hearing. The subcommittee heard testimony from the following witnesses: Mr. Darrin McLaughlin, Executive Vice President-Chief BSA/AML & Sanctions Officer, Flagstar Bank, on behalf of the American Bankers Association; Ms. Jacqueline Burns Koven, Head of Cyber Threat Intelligence, Chainalysis; Mr. Jeff Brabant, Vice President, Federal Government Relations, National Federation of Independent Business; and Ms. Kathy Stokes, Director, Fraud Prevention Programs, AARP.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include record votes on the motion to report legislation and amendments thereto.

On September 16, 2025, the Committee ordered H.R. 5344, as amended, to be reported favorably to the House by a recorded vote of 50 yeas and 0 nays, a quorum being present. (Record Vote No. FC–194).

Before the question to report was called, Representative Lynch offered an amendment in the nature of a substitute, designated LYNCH_047, which made minor edits and technical changes. The amendment was adopted by voice vote.

Committee on Financial Services

Markup 8
September 16, 2025

Bill: **H.R. 5344**
Measure: **H.R. 5344 (as amended)**
Amdt/Designated:

Record Vote No.
FC-194

Motion: **to report favorably**
Disposition: **AGREED TO (50-0)**

Member	Yea	Nay	Not Recorded	Member	Yea	Nay	Not Recorded
Chairman Hill	X			Ranking Member Waters	X		
Mr. Lucas	X			Ms. Velázquez	X		
Mr. Sessions	X			Mr. Sherman	X		
Mr. Huizenga	X			Mr. Meeks	X		
Mrs. Wagner	X			Mr. Scott	X		
Mr. Barr	X			Mr. Lynch	X		
Mr. Williams (TX)	X			Mr. Green (TX)	X		
Mr. Emmer	X			Mr. Cleaver	X		
Mr. Loudermilk	X			Mr. Himes	X		
Mr. Davidson	X			Mr. Foster	X		
Mr. Rose	X			Mrs. Beatty	X		
Mr. Steil	X			Mr. Vargas	X		
Mr. Timmons	X			Mr. Gottheimer	X		
Mr. Stutzman	X			Mr. Gonzalez	X		
Mr. Norman			X	Mr. Casten	X		
Mr. Meuser	X			Ms. Pressley	X		
Mrs. Kim	X			Ms. Tlaib	X		
Mr. Donalds			X	Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)	X		
Mr. Fitzgerald	X			Ms. Williams of GA	X		
Mr. Flood	X			Ms. Pettersen	X		
Mr. Lawler	X			Mr. Fields	X		
Ms. De La Cruz	X			Ms. Bynum	X		
Mr. Ogles			X	Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar			X				
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	26	**0**	**4**		**24**	**0**	**0**

	Yeas	Nays	Not Voting
Committee Totals:	**50**	**0**	**4**

Committee Oversight Findings

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives are incorporated in the descriptive portions of this report.

Performance Goals and Objectives

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 5344 is to incentivize the identification of stolen assets that are linked to foreign government corruption.

Committee Cost Estimate

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 5344. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

New Budget Authority and CBO Cost Estimate

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee will adopt as its own the cost estimate for the bill prepared by the Director of the Congressional Budget Office. However, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

Unfunded Mandates Statement

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

Earmark Statement

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act.*

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the "Kleptocracy Asset Recovery Rewards Program Act".

Section 2. Kleptocracy Asset Recovery Rewards Program

Section 2 amends Section 9703 of the Kleptocracy Asset Recovery Rewards Act to extend the Kleptocracy Asset Recovery Rewards Program and related reporting requirements for seven years.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2021

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SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into eight divisions as follows:

(1) * * *

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(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

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DIVISION H—OTHER MATTERS

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TITLE XCVII—FINANCIAL SERVICES MATTERS

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Subtitle A—Kleptocracy Asset Recovery Rewards Act

SEC. 9701. SHORT TITLE.

The subtitle may be cited as the "Kleptocracy Asset Recovery Rewards Act".

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SEC. 9703. DEPARTMENT OF THE TREASURY [KLEPTOCRACY ASSET RECOVERY REWARDS PILOT PROGRAM.] *KLEPTOCRACY ASSET RECOVERY REWARDS PROGRAM.*

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the Department of the Treasury a program to be known as the "Kleptocracy Asset Recovery Rewards [Pilot] Program" for the payment of rewards to carry out the purposes of this section.

(2) PURPOSE.—The rewards program shall be designed to support U.S. Government programs and investigations aimed at restraining, seizing, forfeiting, or repatriating stolen assets linked to foreign government corruption and the proceeds of such corruption.

(3) IMPLEMENTATION.—The rewards program shall be administered by the Secretary of the Treasury, with the concurrence of the Secretary of State and the Attorney General, and in consultation, as appropriate, with the heads of such other departments and agencies as the Secretary may find appropriate.

(b) REWARDS AUTHORIZED.—The Secretary of the Treasury may, with the concurrence of the Secretary of State and the Attorney General, and in consultation, as appropriate, with the heads of other relevant Federal departments and agencies, pay a reward to any individual, if that individual furnishes information leading to—

(1) the restraining or seizure of stolen assets in an account at a U.S. financial institution (including a U.S. branch of a foreign financial institution), that come within the United States, or that come within the possession or control of any United States person;

(2) the forfeiture of stolen assets in an account at a U.S. financial institution (including a U.S. branch of a foreign financial institution), that come within the United States, or that come within the possession or control of any United States person; or

(3) where appropriate, the repatriation of stolen assets in an account at a U.S. financial institution (including a U.S. branch of a foreign financial institution), that come within the United States, or that come within the possession or control of any United States person.

(c) PROCEDURES.—To ensure that the payment of rewards pursuant to this section does not duplicate or interfere with any other payment authorized by the Department of Justice or other Federal agencies for the obtaining of information or other evidence, the Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and the heads of such other agencies as the Secretary may find appropriate, shall establish procedures for the offering, administration, and payment of rewards under this section, including procedures for—

(1) identifying actions with respect to which rewards will be offered;

(2) the receipt and analysis of data; and

(3) the payment of rewards and approval of such payments.

(d) PAYMENT OF REWARDS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of paying rewards pursuant to this section, there is authorized to be appropriated—

(A) $450,000 for fiscal year 2021; and

(B) for each fiscal year, any amount, not to exceed the amount recovered during the fiscal year in stolen assets described under subsection (b), that the Secretary determines is necessary to carry out this program consistent with this section.

(2) LIMITATION ON ANNUAL PAYMENTS.—Except as provided under paragraph (3), the total amount of rewards paid pursuant to this section may not exceed $25 million in any calendar year.

(3) PRESIDENTIAL AUTHORITY.—The President may waive the limitation under paragraph (2) with respect to a calendar year if the President provides written notice of such waiver to the appropriate committees of the Congress at least 30 days before any payment in excess of such limitation is made pursuant to this section.

(4) PRIORITY OF PAYMENTS.—In paying any reward under this section, the Secretary shall, to the extent possible, make such reward payment—

(A) first, from appropriated funds authorized under paragraph (1)(A); and

(B) second, from appropriated funds authorized under paragraph (1)(B).

(e) LIMITATIONS.—

(1) SUBMISSION OF INFORMATION.—No award may be made under this section based on information submitted to the Secretary unless such information is submitted under penalty of perjury.

(2) MAXIMUM AMOUNT.—No reward paid under this section may exceed $5 million, unless the Secretary—

(A) personally authorizes such greater amount in writing;

(B) determines that offer or payment of a reward of a greater amount is necessary due to the exceptional nature of the case; and

(C) notifies the appropriate committees of the Congress of such determination.

(3) APPROVAL.—

(A) IN GENERAL.—No reward amount may be paid under this section without the written approval of the Secretary, with the concurrence of the Secretary of State and the Attorney General.

(B) DELEGATION.—The Secretary may not delegate the approval required under subparagraph (A) to anyone other than an Under Secretary of the Department of the Treasury.

(4) PROTECTION MEASURES.—If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary shall, consistent with applicable law, take such measures in connection with the payment of the reward as the Secretary considers necessary to effect such protection.

(5) FORMS OF REWARD PAYMENT.—The Secretary may make a reward under this section in the form of a monetary payment.

(f) INELIGIBILITY, REDUCTION IN, OR DENIAL OF REWARD.—

(1) OFFICER AND EMPLOYEES.—An officer or employee of any entity of Federal, State, or local government or of a foreign government who, while in the performance of official duties, furnishes information described under subsection (b) shall not be eligible for a reward under this section.

(2) PARTICIPATING INDIVIDUALS.—If the claim for a reward is brought by an individual who the Secretary has a reasonable basis to believe knowingly planned, initiated, directly participated in, or facilitated the actions that led to assets of a foreign state or governmental entity being stolen, misappropriated, or illegally diverted or to the payment of bribes or other foreign governmental corruption, the Secretary shall appropriately reduce, and may deny, such award. If such individual is convicted of criminal conduct arising from the role de-

scribed in the preceding sentence, the Secretary shall deny or may seek to recover any reward, as the case may be.

(g) REPORT.—

(1) IN GENERAL.—Within 180 days of the enactment of this section, and annually thereafter ⟦for 3 years⟧, the Secretary shall issue a report to the appropriate committees of the Congress—

(A) detailing to the greatest extent possible the amount, location, and ownership or beneficial ownership of any stolen assets that, on or after the date of the enactment of this section, come within the United States or that come within the possession or control of any United States person;

(B) discussing efforts being undertaken to identify more such stolen assets and their owners or beneficial owners; and

(C) including a discussion of the interactions of the Department of the Treasury with the international financial institutions (as defined in section 1701(c)(2) of the International Financial Institutions Act) to identify the amount, location, and ownership, or beneficial ownership, of stolen assets held in financial institutions outside the United States.

(2) EXCEPTION.—The report issued under paragraph (1) shall not include information related to ongoing investigations or information related to closed investigations that would reveal identities of individuals not charged with a criminal offense, would reveal identities of investigative sources or methods, would reveal identities of witnesses, would compromise subsequent investigations, or the disclosure of which is otherwise prohibited by law, the Federal Rules of Criminal Procedure, regulation, or court order.

(h) REPORT ON DISPOSITION OF RECOVERED ASSETS.—Within 360 days of the enactment of this Act, the Secretary of the Treasury, with the concurrence of the Secretary of State and the Attorney General, shall issue a report to the appropriate committees of Congress describing policy choices and recommendations for disposition of stolen assets recovered pursuant to this section.

⟦(i) SUNSET OF PILOT PROGRAM.—The authorities under this section, as well as the program established pursuant to this section, shall terminate three years after the date of the enactment of this Act.⟧

(i) SUNSET.—This section shall cease to have any force or effect after the end of the 7-year period beginning on the date of enactment of the Kleptocracy Asset Recovery Rewards Program Act.

(j) DEFINITIONS.—For purposes of this section:

(1) APPROPRIATE COMMITTEES OF THE CONGRESS.—The term "appropriate committees of the Congress" means the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on the Judiciary of the House of Representatives, the Committee on the Judiciary of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Foreign Relations of the Senate.

(2) FINANCIAL ASSET.—The term "financial asset" means any funds, investments, or ownership interests, as defined by the Secretary, that on or after the date of the enactment of this section come within the United States or that come within the possession or control of any United States person.

(3) FOREIGN GOVERNMENT CORRUPTION.—The term "foreign government corruption" means corruption, as defined by the United Nations Convention Against Corruption.

(4) FOREIGN PUBLIC OFFICIAL.—The term "foreign public official" includes any person who occupies a public office by virtue of having been elected, appointed, or employed, including any military, civilian, special, honorary, temporary, or uncompensated official.

(5) IMMEDIATE FAMILY MEMBER.—The term "immediate family member", with respect to an individual, has the meaning given the term "member of the immediate family" under section 36(k) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708(k)).

(6) REWARDS PROGRAM.—The term "rewards program" means the program established in subsection (a)(1) of this section.

(7) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

(8) STOLEN ASSETS.—The term "stolen assets" means financial assets within the jurisdiction of the United States, constituting, derived from, or traceable to, any proceeds obtained directly or indirectly from foreign government corruption.

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