

OFAC LICENSURE FOR INVESTIGATORS ACT

MARCH 27, 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. 1450]

The Committee on Financial Services, to whom was referred the bill (H.R. 1450) to require the Office of Foreign Assets Control to develop a program under which private sector firms may receive a license to conduct nominal financial transactions in furtherance of the firms' investigations, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

Introduced on February 21, 2025 by Representative Joyce Beatty, H.R. 1450, the *OFAC Licensure for Investigators Act*, requires the Director of the Office of Foreign Assets Control (OFAC) to develop

a pilot program under which a private sector firm can receive a license to conduct nominal financial transactions to and through sanctioned entities in furtherance of the firm's investigations.

BACKGROUND AND NEED FOR LEGISLATION

OFAC licenses are authorizations allowing OFAC to engage in a transaction that otherwise would be prohibited. H.R. 1450 would work similarly to law enforcement's ability to request financial institutions to maintain accounts. During the process of investigating financial crimes, law enforcement can provide written requests to financial institutions, wherein they may have an interest, to ensure an account remains open. These requests are done with the understanding that tracking the financial flows through the account can benefit law enforcement's investigation.

COMMITTEE CONSIDERATION

118TH CONGRESS

On October 25, 2023, the Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services held a hearing entitled "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror," which examined challenges to law enforcement in its investigations of financial crimes. Witnesses were Mr. Jason Brodsky, Policy Director of United Against Nuclear Iran; Mr. Richard Goldberg, Senior Advisor at the Foundation for Defense of Democracies; Mr. Gabriel Noronha, Fellow at The Gemunder Center for Defense and Strategy at the Jewish Institute for National Security of America; Mr. Adam Zarazinski, Chief Executive Officer of Inca Digital; and Mr. Matthew Levitt, Director of the Reinhardt Program on Counterterrorism and Intelligence and Senior Fellow at Fromer Wexler.

On November 13, 2023, Representative Joyce Beatty (D-OH) introduced H.R. 6370, the *OFAC Licensure for Investigators Act*, with Representative Zach Nunn (R-IA) as an original cosponsor. The bill was referred to the Committee on Financial Services and, in addition, to the Committee on Foreign Affairs. On November 14, 2023, the Committee on Financial Services considered H.R. 6370 in legislative session and reported it favorably, as amended, to the House of Representatives by a recorded vote of 50 ayes and 0 nays. The Committee adopted an Amendment in the Nature of a Substitute (ANS) offered by Representative Beatty. On January 9, 2024, the Committee on Foreign Affairs was discharged. On January 12, 2024, the House passed H.R. 6370 under suspension of the Rules by a voice vote. H.R. 6370 was received by the Senate and referred to the Committee on Banking, Housing and Urban Affairs on January 16, 2024.

119TH CONGRESS

On February 21, 2025, Representative Joyce Beatty (D-OH) introduced H.R. 1450, the *OFAC Licensure for Investigators Act*, with Representative Zach Nunn (R-IA) as an original cosponsor. The bill was referred to the Committee on Financial Services, in addition to the Committee on Foreign Affairs.

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. 1450:

The Full Committee held a hearing on February 25, 2025, titled “Examining Policies to Counter China.” A discussion draft of the bill was considered in the hearing. Witnesses who testified were: John Miller, Senior Vice President of Policy, Trust, Data, and Technology, and General Counsel, Information Technology Industry Council; Nicholas McMurray, Managing Director of International and Nuclear Policy, ClearPath; John Cassara, retired United States Treasury Department Special Agent; Martin Muhleisen, Non-resident Senior Fellow at the GAO Economic Center at the Atlantic Council; and Dr. Rush Doshi, C.V. Starr Senior Fellow for Asian Studies, and Director of the China Strategy Initiative at the Council on Foreign Relations, and an assistant professor at Georgetown University. During the witness testimony, the discussion covered tools for law enforcement to use when investigating financial crimes. Mr. Cassara testified that law enforcement would be served with more tools to go after criminal organizations engaged in financial crimes.

The Committee on Financial Services met in open session on March 5, 2025 to consider, among others, H.R. 1450.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On March 5, 2025, the Committee ordered H.R. 1450 to be reported favorably to the House by a recorded vote of 49 yeas to 0 nays, a quorum being present. (Record Vote No. FC-025).

Committee on Financial Services

Markup 1

March 5, 2025

Bill H.R. 1450

Motion To report favorably

Amendment H.R. 1450 (as introduced)

Record Vote No.

FC-025

Disposition

Adopted (49-0)

Member	Yes	Nay	Not Voting	Member	Yes	Nay	Not Voting
Chairman Hill	X			Ranking Members 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						
	30	0	0		19	0	5
Committee Totals:				49	0	5	
	Yes	Nays	Not Voting				

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. 1450 is to provide authority to private sector firms to better investigate financial crimes by engaging in nominal transactions with sanctioned entities.

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. 1450.

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 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*, 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 Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

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

The following is a section-by-section analysis of H.R. 1450, the *OFAC Licensure for Investigators Act*:

Section 1. Short title

Section 1 provides that the short title is “*OFAC Licensure for Investigators Act*.”

Section 2. Sending and receiving of nominal amounts

- Directs the Director of the Office of Foreign Assets Control, in coordination with the Director of the Financial Crimes Enforcement Network, to establish within one year of the date of enactment of the Act a pilot program under which a private sector firm may receive a license to conduct nominal financial transactions in furtherance of the firm’s investigations.
- Requires each private sector firm that receives a license under this subsection to submit a detailed monthly report to the Director of the Office of Foreign Assets Control.
- Requires the Director of the Office of Foreign Assets Control to:
 - submit an annual report to the Committees on Financial Services and Foreign Affairs of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate containing:
 - the number of licenses requested under the pilot program;
 - the number of licenses granted under the pilot program;
 - and
 - a broad discussion of the utility of the pilot program.
- After submission of each report required under this subsection, to provide the Committees on Financial Services and Foreign Affairs of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate with a classified briefing containing:
 - additional detail on the applicants for a license under the pilot program;
 - identification of the firms granted a license;

- information on the operation of the pilot program, including how long each license lasted and the personnel needed to manage the pilot program;
 - information gleaned by the Office of Foreign Assets Control from running the pilot program;
 - the utility of that information;
 - any obstacles to the operation or utility of the pilot program; and
 - any recommendations for improving or extending the pilot program.
- Terminates the pilot program established under this subsection five (5) years after the date on which such program is established.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 1450 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report required under clause 3(e) of rule XIII of the House of Representatives.

COMMITTEE LETTERS

BRIAN J. MAST, FLORIDA
CHAIRMAN

JAMES LANGENDERFER
STAFF DIRECTOR



GREGORY W. MEEKS, NEW YORK
RANKING MEMBER

SAJIT GANDHI
DEMOCRATIC STAFF DIRECTOR

One Hundred Nineteenth Congress
U.S. House of Representatives
Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515

March 24th, 2025

The Honorable French Hill
Chairman
Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Hill:

I write regarding H.R. 1450, the "OFAC Licensure for Investigators Act," which contains legislative provisions within the jurisdiction of the Committee on Foreign Affairs.

In the interest of permitting your committee to proceed expeditiously to floor consideration, the Committee on Foreign Affairs will forgo formal consideration of the legislation. I do so with the understanding that the Committee on Foreign Affairs does not waive any future jurisdictional claim over the subject matters contained in the bill that fall within its jurisdiction. I also request that you urge the Speaker to name members of the Committee on Foreign Affairs to any conference committee that is named to consider such provisions.

Please place this letter into the committee report on H.R. 1450 and into the *Congressional Record* during consideration of this legislation on the House floor.

Sincerely,

Brian J. Mast
Chairman

FRENCH HILL, AR
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER



United States House of Representatives
One Hundred Nineteenth Congress
Committee on Financial Services
2124 Rayburn House Office Building
Washington, DC 20515

March 26, 2025

The Honorable Brian Mast
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
2170 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Mast:

Thank you for consulting with the Committee on Financial Services and agreeing to be discharged from further consideration of H.R. 1450, the "OFAC Licensure for Investigators Act," so that the measure may proceed expeditiously to the House floor.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee or prejudice its jurisdictional prerogatives on this measure or similar legislation in the future. I would support your effort to seek appointment of any appropriate number of conferees from your committee to any House-Senate conference of this legislation.

I will submit the exchange of letters to be published in the Congressional Record. I appreciate your cooperation regarding this legislation and look forward to continuing to work together on matters of shared jurisdiction during this Congress.

Sincerely,

French Hill
Chairman

cc: The Honorable Mike Johnson, Speaker of the House
The Honorable Jason Smith, Parliamentarian, U.S. House of Representatives
The Honorable Maxine Waters, Ranking Member, Committee on Financial Services
The Honorable Gregory Meeks, Ranking Member, Committee on Foreign Affairs