

Union Calendar No. 439

115TH CONGRESS
2^D SESSION

H. R. 2219

[Report No. 115–569, Parts I and II]

To increase the role of the financial industry in combating human trafficking.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2017

Mr. ROYCE of California (for himself, Mr. KEATING, Mrs. CAROLYN B. MALONEY of New York, and Mrs. LOVE) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, 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

FEBRUARY 20, 2018

Reported from the Committee on Financial Services with amendments

[Omit the part struck through and insert the part printed in italic]

FEBRUARY 23, 2018

Additional sponsors: Mr. MEEHAN, Mr. FITZPATRICK, Ms. SINEMA, Mr. DELANEY, Mr. MEEKS, Mrs. BEATTY, Mr. LYNCH, Mr. MESSER, Mr. SIRES, Mr. HULTGREN, Mr. POE of Texas, and Mr. GOTTHEIMER

FEBRUARY 23, 2018

Reported from the Committee on Foreign Affairs with an amendment; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in boldface roman]

[For text of introduced bill, see copy of bill as introduced on April 27, 2017]

A BILL

To increase the role of the financial industry in combating
human trafficking.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “End Banking for
5 Human Traffickers Act of 2017”.

6 **SEC. 2. INCREASING THE ROLE OF THE FINANCIAL INDUS-**
7 **TRY IN COMBATING HUMAN TRAFFICKING.**

8 (a) TREASURY AS A MEMBER OF THE PRESIDENT’S
9 INTERAGENCY TASK FORCE TO MONITOR AND COMBAT
10 TRAFFICKING.—Section 105(b) of the Victims of Traf-
11 ficking and Violence Protection Act of 2000 (22 U.S.C.
12 7103(b)) is amended by inserting “the Secretary of the
13 Treasury,” after “the Secretary of Education,”.

14 (b) ~~REQUIRED REVIEW OF PROCEDURES.~~—Not later
15 than 180 days after the date of enactment of this Act,
16 the Financial Institutions Examination Council shall, in
17 consultation with the Secretary of the Treasury and other
18 appropriate law enforcement agencies, take the following
19 actions:

20 (1) Review and enhance, where necessary,
21 training and examinations procedures to improve the
22 ability of anti-money laundering programs to target
23 human trafficking operations.

1 (2) Review and enhance, where necessary, pro-
2 cedures for referring potential human trafficking
3 cases to the appropriate law enforcement agency.

4 (c) INTERAGENCY TASK FORCE RECOMMENDATIONS
5 TARGETING MONEY LAUNDERING RELATED TO HUMAN
6 TRAFFICKING.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the date of enactment of this Act, the Inter-
9 agency Task Force to Monitor and Combat Traf-
10 fficking shall prepare and submit to Congress, the
11 Secretary of the Treasury, and each appropriate
12 Federal banking agency a series of legislative, ad-
13 ministrative, and regulatory recommendations, if
14 necessary, to revise anti-money laundering programs
15 of financial institutions in order to specifically target
16 money laundering related to human trafficking, as
17 described in paragraph (2).

18 (2) REQUIRED RECOMMENDATIONS.—The rec-
19 ommendations required under paragraph (1) shall,
20 at a minimum, include the following:

21 (A) Successful anti-human trafficking pro-
22 grams currently in place at financial institu-
23 tions that are suitable for broader adoption.

24 (B) Recommended changes, if necessary,
25 to the internal policies, procedures, and controls

1 at financial institutions so that such institu-
2 tions can better deter and detect money laun-
3 dering related to human trafficking.

4 (C) Recommended changes, if necessary, to
5 ongoing employee training programs at finan-
6 cial institutions so that those institutions can
7 better equip employees to deter and detect
8 money laundering related to human trafficking,
9 including the training of legal counsel, risk
10 managers, and compliance officers.

11 (D) Recommended revisions, if necessary,
12 to existing regulatory requirements and guide-
13 lines for the reporting of suspicious trans-
14 actions by financial institutions, as required
15 pursuant to section 5318(g) of title 31, United
16 States Code, in order to facilitate the collection
17 of data on instances of suspected human traf-
18 ficking.

19 (d) **ADDITIONAL REPORTING REQUIREMENT.**—Sec-
20 tion 110(b) of the Trafficking Victims Protection Act of
21 2000 (22 U.S.C. 7107(b)) is amended by adding at the
22 end the following:

23 “(4) **DESCRIPTION OF EFFORTS OF UNITED**
24 **STATES TO ELIMINATE MONEY LAUNDERING RE-**
25 **LATED TO HUMAN TRAFFICKING.**—In addition to the

1 information required in the annual report under
2 paragraph (1) and the interim report under para-
3 graph (2), the Secretary of State, in consultation
4 with the Attorney General and the Secretary of the
5 Treasury, shall include in each such report a de-
6 scription of efforts of the United States to eliminate
7 money laundering related to human trafficking and
8 the number of investigations, arrests, indictments
9 and convictions in money laundering cases with a
10 nexus to human trafficking.”.

11 *(b) REQUIRED REVIEW OF PROCEDURES.—Not later*
12 *than 180 days after the date of the enactment of this Act,*
13 *the Financial Institutions Examination Council, in con-*
14 *sultation with the Secretary of the Treasury, the private*
15 *sector, and appropriate law enforcement agencies, shall—*

16 *(1) review and enhance training and examina-*
17 *tions procedures to improve the capabilities of anti-*
18 *money laundering and countering the financing of*
19 *terrorism programs to detect human trafficking-re-*
20 *lated financial transactions;*

21 *(2) review and enhance procedures for referring*
22 *potential human trafficking cases to the appropriate*
23 *law enforcement agency; and*

24 *(3) determine, as appropriate, whether require-*
25 *ments for financial institutions are sufficient to detect*

1 *and deter money laundering related to human traf-*
2 *ficking.*

3 *(c) INTERAGENCY TASK FORCE RECOMMENDATIONS*
4 *TARGETING MONEY LAUNDERING RELATED TO HUMAN*
5 *TRAFFICKING.—*

6 *(1) IN GENERAL.—Not later than 270 days after*
7 *the date of the enactment of this Act, the Interagency*
8 *Task Force to Monitor and Combat Trafficking shall*
9 *submit to the Committee on Financial Services and*
10 *the Committee on the Judiciary of the House of Rep-*
11 *resentatives, the Committee on Banking, Housing,*
12 *and Urban Affairs and the Committee on the Judici-*
13 *ary of the Senate, and the head of each appropriate*
14 *Federal banking agency—*

15 *(A) an analysis of anti-money laundering*
16 *efforts of the United States Government and*
17 *United States financial institutions related to*
18 *human trafficking; and*

19 *(B) appropriate legislative, administrative,*
20 *and other recommendations to strengthen efforts*
21 *against money laundering relating to human*
22 *trafficking.*

23 *(2) REQUIRED RECOMMENDATIONS.—The rec-*
24 *ommendations under paragraph (1) shall include—*

1 (A) *feedback from financial institutions on*
2 *best practices of successful anti-human traf-*
3 *ficking programs currently in place that may be*
4 *suitable for broader adoption by similarly situ-*
5 *ated financial institutions;*

6 (B) *feedback from stakeholders, including*
7 *trafficking victims and financial institutions, on*
8 *policy proposals derived from the analysis con-*
9 *ducted by the task force referred to in paragraph*
10 *(1) that would enhance the efforts and programs*
11 *of financial institutions to detect and deter*
12 *money laundering related to human trafficking,*
13 *including any recommended changes to internal*
14 *policies, procedures, and controls related to*
15 *human trafficking;*

16 (C) *any recommended changes to training*
17 *programs at financial institutions to better*
18 *equip employees to deter and detect money laun-*
19 *dering related to human trafficking;*

20 (D) *any recommended changes to expand*
21 *human trafficking-related information sharing*
22 *among financial institutions and between such*
23 *financial institutions, appropriate law enforce-*
24 *ment agencies, and appropriate Federal agencies;*
25 *and*

1 (E) recommended changes, if necessary, to
 2 existing statutory law to more effectively detect
 3 and deter money laundering related to human
 4 trafficking, where such money laundering in-
 5 volves the use of emerging technologies and vir-
 6 tual currencies.

7 ~~(e)~~ (d) LIMITATION.—Nothing in this Act shall be
 8 construed to grant rulemaking authority to the Inter-
 9 agency Task Force to Monitor and Combat Trafficking.

10 ~~(f)~~ (e) DEFINITIONS.—As used in this section—

11 ~~(1)~~ the term “~~anti-money laundering program~~”
 12 means any program established by a financial insti-
 13 tution pursuant to section ~~5318(h)~~ of title ~~31~~,
 14 United States Code;

15 ~~(2)~~ (1) the term “appropriate Federal banking
 16 agency” has the meaning given the term in section
 17 3(q) of the Federal Deposit Insurance Act (12
 18 U.S.C. 1813(q));

19 ~~(3)~~ (2) the term “human trafficking” means—

20 (A) sex trafficking in which a commercial
 21 sex act is induced by force, fraud, or coercion,
 22 or in which the person induced to perform such
 23 act has not attained 18 years of age; or

24 (B) the recruitment, harboring, transpor-
 25 tation, provision, or obtaining of a person for

1 labor or services, through the use of force,
 2 fraud, or coercion for the purpose of subjection
 3 to involuntary servitude, peonage, debt bondage,
 4 or slavery;

5 ~~(4)~~ (3) the term “Interagency Task Force to
 6 Monitor and Combat Trafficking” means the Inter-
 7 agency Task Force to Monitor and Combat Traf-
 8 ficking established by the President pursuant to sec-
 9 tion 105 of the Victims of Trafficking and Violence
 10 Protection Act of 2000 (22 U.S.C. 7103); and

11 ~~(5)~~ (4) the term “law enforcement agency”
 12 means an agency of the United States, a State, or
 13 a political subdivision of a State, authorized by law
 14 or by a government agency to engage in or supervise
 15 the prevention, detection, investigation, or prosecu-
 16 tion of any violation of criminal or civil law.

17 **SEC. 3. COORDINATION OF HUMAN TRAFFICKING ISSUES**

18 **BY THE OFFICE OF TERRORISM AND FINAN-**

19 **CIAL INTELLIGENCE.**

20 (a) *FUNCTIONS.*—*Section 312(a)(4) of title 31, United*
 21 *States Code, is amended—*

22 (1) *by redesignating subparagraphs (E), (F),*
 23 *and (G) as subparagraphs (F), (G), and (H), respec-*
 24 *tively; and*

1 (2) *by inserting after subparagraph (D) the fol-*
2 *lowing:*

3 “(E) *combating illicit financing relating to*
4 *human trafficking;*”.

5 (b) *INTERAGENCY COORDINATION.—Section 312(a) of*
6 *title 31, United States Code, is amended by adding at the*
7 *end the following:*

8 “(8) *INTERAGENCY COORDINATION.—The Sec-*
9 *retary of the Treasury, after consultation with the*
10 *Undersecretary for Terrorism and Financial Crimes,*
11 *shall designate an office within the OTFI that shall*
12 *coordinate efforts to combat the illicit financing of*
13 *human trafficking with—*

14 “(A) *other offices of the Department of the*
15 *Treasury;*

16 “(B) *other Federal agencies, including—*

17 “(i) *the Office to Monitor and Combat*
18 *Trafficking in Persons of the Department of*
19 *State; and*

20 “(ii) *the Interagency Task Force to*
21 *Monitor and Combat Trafficking;*

22 “(C) *State and local law enforcement agen-*
23 *cies; and*

24 “(D) *foreign governments.*”.

1 **SEC. 4. ADDITIONAL REPORTING REQUIREMENT UNDER**
2 **THE TRAFFICKING VICTIMS PROTECTION ACT**
3 **OF 2000.**

4 *Section 105(d)(7) of the Trafficking Victims Protection*
5 *Act of 2000 (22 U.S.C. 7103(d)(7)) is amended—*

6 *(1) in the matter preceding subparagraph (A)—*

7 *(A) by inserting “the Committee on Finan-*
8 *cial Services,” after “the Committee on Foreign*
9 *Affairs,”; and*

10 *(B) by inserting “the Committee on Bank-*
11 *ing, Housing, and Urban Affairs,” after “the*
12 *Committee on Foreign Relations,”;*

13 *(2) in subparagraph (Q)(vii), by striking “;*
14 *and” and inserting a semicolon;*

15 *(3) in subparagraph (R), by striking the period*
16 *at the end and inserting “; and”;* and

17 *(4) by adding at the end the following:*

18 *“(S) the efforts of the United States to*
19 *eliminate money laundering related to human*
20 *trafficking and the number of investigations, ar-*
21 *rests, indictments, and convictions in money*
22 *laundering cases with a nexus to human traf-*
23 *ficking.”.*

24 *Be it enacted by the Senate and House of Representa-*
25 *tives of the United States of America in Congress assembled,*

1 SECTION 1. SHORT TITLE.

2 **This Act may be cited as the “End Bank-**
3 **ing for Human Traffickers Act of 2017”.**

4 SEC. 2. INCREASING THE ROLE OF THE FINANCIAL INDUS-
5 **TRY IN COMBATING HUMAN TRAFFICKING.**

6 **(a) TREASURY AS A MEMBER OF THE PRESI-**
7 **DENT’S INTERAGENCY TASK FORCE TO MONITOR**
8 **AND COMBAT TRAFFICKING.—Section 105(b) of**
9 **the Victims of Trafficking and Violence Pro-**
10 **tection Act of 2000 (22 U.S.C. 7103(b)) is**
11 **amended by inserting “the Secretary of the**
12 **Treasury,” after “the Secretary of Edu-**
13 **cation,”.**

14 **(b) REQUIRED REVIEW OF PROCEDURES.—**
15 **Not later than 180 days after the date of en-**
16 **actment of this Act, the Financial Institutions**
17 **Examination Council shall, in consultation**
18 **with the Secretary of the Treasury and other**
19 **appropriate law enforcement agencies, take**
20 **the following actions:**

21 **(1) Review and enhance, where nec-**
22 **essary, training and examinations proce-**
23 **dures to improve the ability of anti-**
24 **money laundering programs to target**
25 **human trafficking operations.**

1 **(2) Review and enhance, where nec-**
2 **essary, procedures for referring potential**
3 **human trafficking cases to the appro-**
4 **propriate law enforcement agency.**

5 **(c) INTERAGENCY TASK FORCE REC-**
6 **OMMENDATIONS TARGETING MONEY LAUNDERING**
7 **RELATED TO HUMAN TRAFFICKING.—**

8 **(1) IN GENERAL.—Not later than 180**
9 **days after the date of enactment of this**
10 **Act, the Interagency Task Force to Mon-**
11 **itor and Combat Trafficking shall pre-**
12 **pare and submit to Congress, the Sec-**
13 **retary of the Treasury, and each appro-**
14 **priate Federal banking agency a series of**
15 **legislative, administrative, and regu-**
16 **latory recommendations, if necessary, to**
17 **revise anti-money laundering programs**
18 **of financial institutions in order to spe-**
19 **cifically target money laundering related**
20 **to human trafficking, as described in**
21 **paragraph (2).**

22 **(2) REQUIRED RECOMMENDATIONS.—The**
23 **recommendations required under para-**
24 **graph (1) shall, at a minimum, include**
25 **the following:**

1 **(A) Successful anti-human traf-**
2 **ficking programs currently in place**
3 **at financial institutions that are suit-**
4 **able for broader adoption.**

5 **(B) Recommended changes, if nec-**
6 **essary, to the internal policies, proce-**
7 **dures, and controls at financial insti-**
8 **tutions so that such institutions can**
9 **better deter and detect money laun-**
10 **dering related to human trafficking.**

11 **(C) Recommended changes, if nec-**
12 **essary, to ongoing employee training**
13 **programs at financial institutions so**
14 **that those institutions can better**
15 **equip employees to deter and detect**
16 **money laundering related to human**
17 **trafficking, including the training of**
18 **legal counsel, risk managers, and**
19 **compliance officers.**

20 **(D) Recommended revisions, if**
21 **necessary, to existing regulatory re-**
22 **quirements and guidelines for the re-**
23 **porting of suspicious transactions by**
24 **financial institutions, as required**
25 **pursuant to section 5318(g) of title 31,**

1 **United States Code, in order to facili-**
2 **tate the collection of data on in-**
3 **stances of suspected human traf-**
4 **ficking.**

5 **(d) ADDITIONAL REPORTING REQUIRE-**
6 **MENT.—Section 110(b) of the Trafficking Vic-**
7 **tims Protection Act of 2000 (22 U.S.C. 7107(b))**
8 **is amended by adding at the end the fol-**
9 **lowing:**

10 **“(4) DESCRIPTION OF EFFORTS OF**
11 **UNITED STATES TO ELIMINATE MONEY LAUN-**
12 **DERING RELATED TO HUMAN TRAFFICKING.—**
13 **In addition to the information required**
14 **in the annual report under paragraph (1)**
15 **and the interim report under paragraph**
16 **(2), the Secretary of State, in consultation**
17 **with the Attorney General and the Sec-**
18 **retary of the Treasury, shall include in**
19 **each such report a description of efforts**
20 **of the United States to eliminate money**
21 **laundering related to human trafficking**
22 **and the number of investigations, arrests,**
23 **indictments and convictions in money**
24 **laundering cases with a nexus to human**
25 **trafficking.”.**

1 **(e) LIMITATION.—Nothing in this Act shall**
2 **be construed to grant rulemaking authority to**
3 **the Interagency Task Force to Monitor and**
4 **Combat Trafficking.**

5 **(f) DEFINITIONS.—As used in this section—**

6 **(1) the term “anti-money laundering**
7 **program” means any program established**
8 **by a financial institution pursuant to sec-**
9 **tion 5318(h) of title 31, United States**
10 **Code;**

11 **(2) the term “appropriate Federal**
12 **banking agency” has the meaning given**
13 **the term in section 3(q) of the Federal**
14 **Deposit Insurance Act (12 U.S.C. 1813(q));**

15 **(3) the term “human trafficking”**
16 **means—**

17 **(A) sex trafficking in which a**
18 **commercial sex act is induced by**
19 **force, fraud, or coercion, or in which**
20 **the person induced to perform such**
21 **act has not attained 18 years of age;**
22 **or**

23 **(B) the recruitment, harboring,**
24 **transportation, provision, or obtain-**
25 **ing of a person for labor or services,**

1 through the use of force, fraud, or coercion for the purpose of subjection
2 to involuntary servitude, peonage,
3 debt bondage, or slavery;

4
5 (4) the term “Interagency Task Force
6 to Monitor and Combat Trafficking”
7 means the Interagency Task Force to
8 Monitor and Combat Trafficking estab-
9 lished by the President pursuant to sec-
10 tion 105 of the Victims of Trafficking and
11 Violence Protection Act of 2000 (22 U.S.C.
12 7103); and

13 (5) the term “law enforcement agen-
14 cy” means an agency of the United States,
15 a State, or a political subdivision of a
16 State, authorized by law or by a govern-
17 ment agency to engage in or supervise
18 the prevention, detection, investigation,
19 or prosecution of any violation of crimi-
20 nal or civil law.

21 **SEC. 3. MINIMUM STANDARDS FOR THE ELIMINATION OF**
22 **TRAFFICKING.**

23 **Section 108(b) of the Trafficking Victims**
24 **Protection Act of 2000 (22 U.S.C. 7106(b)) is**

1 amended by adding at the end the following
2 new paragraph:

3 “(13) Whether the government of the
4 country, consistent with the capacity of
5 the country, has in effect a framework to
6 prevent financial transactions involving
7 the proceeds of severe forms of traf-
8 ficking in persons, and is taking steps to
9 implement such a framework, including
10 by investigating, prosecuting, convicting,
11 and sentencing individuals who attempt
12 or conduct such transactions.”.

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