

Preventing the Financing of Illegal Synthetic Drugs Act

[Public Law 118–79]

[This law has not been amended]

[Currency: This publication is a compilation of the text of Public Law 118–79. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>]

[Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).]

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Preventing the Financing of Illegal Synthetic Drugs Act”.

SEC. 2. FINDINGS.

The Congress finds the following:

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

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

(3) In October 2022, F. Michael McDaniel, director of the Houston High Intensity Drug Trafficking Areas (HITDA) program testified in Congress that one kilogram of fentanyl can produce one million counterfeit pills containing one milligram of fentanyl, saying, “Currently in Houston, Texas, you can buy a kilogram of fentanyl for an average price of \$25,000 to \$30,000. This same kilogram of fentanyl in Culiacán (Mexico) could be purchased at an average price of \$13,500. Currently, the price of a fentanyl pill in Houston ranges from \$6 to \$65.

Therefore, an illicit investment of \$30,000 or less could result in a return of \$6 to \$32.5 million.”.

(4) According to Celina B. Realuyo, Adjunct Professor, The George Washington University Elliott School of International Affairs, in March 2022 Congressional testimony, “Financing is essential to support and sustain the command and control, personnel, arms, communications, logistics and operations of organized crime groups. For this reason, following the money trail and depriving criminals of illicit financial flows can disrupt and disable these networks.”.

SEC. 3. GAO STUDY ON SYNTHETIC DRUGS TRAFFICKING.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on illicit financing in connection with the trafficking of synthetic drugs, including fentanyl and methamphetamine, fentanyl- and methamphetamine-related substances, Captagon, and fentanyl and methamphetamine precursors, including—

(1) the business of the trafficking of synthetic drugs and related illicit finance, such as the participation of transnational criminal organizations and terror syndicates and their notable trafficking corridors, including source and transit countries;

(2) the business models used by these transnational criminal organizations, including U.S. domestic and foreign activities for precursor purchase or production, movement along the supply chain, manufacture of the completed product, marketing, distribution, sales, and return of proceeds;

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

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

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

- (A) payment;
- (B) money laundering; and
- (C) repatriation of proceeds;

(6) the use of social media applications like Snap Chat, Discord, and Facebook and payment applications like CashApp to facilitate financial transactions for synthetic drug trafficking, especially among young people; and

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

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

(B) intergovernmental collaboration;

(C) intersectoral collaboration with the private sector, including the business and non-governmental communities; and

(D) identified gaps or resource deficiencies in combating the trafficking of synthetic drugs and related illicit substances, as may be needed.

finance in the coordination and collaboration activities described in subparagraphs (A) through (C).

(b) REPORT REQUIRED.—Not later than the end of the 1-year period beginning on the date of enactment of this Act, the Comptroller General shall issue a report to the Congress containing all findings and determinations made in carrying out the study required under subsection (a).