

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—115th Cong., 1st Sess.

S. 1591

To impose sanctions with respect to the Democratic People's Republic of Korea, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. CRAPO (for himself, Mr. BROWN,
Mr. VAN HOLLEN, and Mr. TOOMEY)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Otto Warmbier Banking Restrictions Involving North
6 Korea Act of 2017”.

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

Sec. 1. Short title; table of contents.

TITLE I—SANCTIONS WITH RESPECT TO NORTH KOREA

Sec. 101. Findings.

Sec. 102. Definitions.

Subtitle A—Expansion of Sanctions and Related Matters

2

- Sec. 111. Sanctions with respect to foreign financial institutions that provide financial services to certain sanctioned persons.
- Sec. 112. Codification of Executive orders relating to sanctions with respect to North Korea.
- Sec. 113. Expansion of mandatory designations under North Korea Sanctions and Policy Enhancement Act of 2016.
- Sec. 114. Extension of applicability period of proliferation prevention sanctions.
- Sec. 115. Sense of Congress on identification and blocking of property of North Korean officials.
- Sec. 116. Modification of report on implementation of United Nations Security Council resolutions by other governments.
- Sec. 117. Report on use by the Government of North Korea of beneficial ownership rules to access the international financial system.

Subtitle B—Congressional Review and Oversight

- Sec. 121. Notification of termination or suspension of sanctions.
- Sec. 122. Reports on certain licensing actions.
- Sec. 123. Briefings on implementation and enforcement of sanctions.
- Sec. 124. Report on financial networks and financial methods of the Government of North Korea.
- Sec. 125. Report on North Korean cyber capabilities and threats to United States economic and security interests.
- Sec. 126. Report of countries of concern with respect to transshipment, re-exportation, or diversion of certain items to North Korea.

Subtitle C—General Matters

- Sec. 131. Rulemaking.
- Sec. 132. Authority to consolidate reports.
- Sec. 133. Waivers, exemptions, and termination.
- Sec. 134. Procedures for review of classified information.

TITLE II—DIVESTMENT FROM NORTH KOREA

- Sec. 201. Authority of State and local governments to divest from companies that invest in North Korea.
- Sec. 202. Safe harbor for changes of investment policies by asset managers.
- Sec. 203. Sense of Congress regarding certain ERISA plan investments.
- Sec. 204. Rule of construction.

TITLE III—FINANCIAL INDUSTRY GUIDANCE TO HALT
TRAFFICKING

- Sec. 301. Short title.
- Sec. 302. Findings.
- Sec. 303. Sense of Congress.
- Sec. 304. Coordination of human trafficking issues by the Office of Terrorism and Financial Intelligence.
- Sec. 305. Strengthening the role of anti-money laundering and other financial tools in combating human trafficking.
- Sec. 306. Sense of Congress.

TITLE IV—DEFENSE PRODUCTION ACT MATTERS

Sec. 401. Limitation on cancellation of designation of Secretary of the Air Force as Department of Defense Executive Agent for a certain Defense Production Act program.

1 **TITLE I—SANCTIONS WITH**
2 **RESPECT TO NORTH KOREA**

3 **SEC. 101. FINDINGS.**

4 Congress finds the following:

5 (1) Since 2006, the United Nations Security
6 Council has approved 9 resolutions imposing sanc-
7 tions against North Korea under chapter VII of the
8 United Nations Charter, which—

9 (A) prohibit the use, development, and pro-
10 liferation of weapons of mass destruction by the
11 Government of North Korea;

12 (B) prohibit the transfer of arms and re-
13 lated materiel to or by the Government of
14 North Korea;

15 (C) prohibit the transfer of luxury goods to
16 North Korea;

17 (D) restrict access by the Government of
18 North Korea to the financial system and re-
19 quire due diligence on the part of financial in-
20 stitutions to prevent the financing of prolifera-
21 tion involving the Government of North Korea;

22 (E) restrict North Korean shipping, includ-
23 ing the reflagging of ships owned or controlled
24 by the Government of North Korea;

1 (F) limit the sale by the Government of
2 North Korea of precious metals, iron, coal, va-
3 nadium, and rare earth minerals;

4 (G) prohibit the transfer to North Korea
5 of rocket, aviation, or jet fuel;

6 (H) prohibit new work authorization for
7 North Korean labors;

8 (I) prohibit exports of North Korean sea-
9 food;

10 (J) prohibit joint ventures or cooperative
11 commercial entities or expanding joint ventures
12 with North Korea;

13 (K) prohibit exports of North Korean tex-
14 tiles; and

15 (L) call on member countries of the United
16 Nations to interdict and inspect vessels sus-
17 pected of containing prohibited North Korean
18 cargo.

19 (2) The Government of North Korea has
20 threatened to carry out nuclear attacks against the
21 United States, South Korea, and Japan.

22 (3) The Federal Bureau of Investigation has
23 determined that the Government of North Korea
24 was responsible for cyberattacks against entities in
25 the United States and South Korea.

1 (4) In February 2016, the Director of National
2 Intelligence found that “North Korea has also ex-
3 panded the size and sophistication of its ballistic
4 missile forces—from close-range ballistic missiles
5 (CRBMs) to ICBMs—and continues to conduct test
6 launches. In 2016, North Korea conducted an un-
7 precedented number of ballistic missile tests.
8 Pyongyang is committed to developing a long-range,
9 nuclear-armed missile that is capable of posing a di-
10 rect threat to the United States; it has publicly dis-
11 played its road-mobile ICBMs on multiple occasions.
12 We assess that North Korea has taken steps toward
13 fielding an ICBM but has not flight-tested it.”.

14 (5) The Government of North Korea tested its
15 fifth and largest nuclear device on September 9,
16 2016.

17 (6) The Government of North Korea has in-
18 creased the pace of its missile testing, including the
19 test of a submarine-launched ballistic missile, poten-
20 tially furthering the development of the capability to
21 attack the United States with a nuclear weapon.

22 (7) Financial transactions and investments that
23 provide financial resources to the Government of
24 North Korea, and that fail to incorporate adequate

1 safeguards against the misuse of those financial re-
2 sources, pose an undue risk of contributing to—

3 (A) weapons of mass destruction programs
4 of that Government; and

5 (B) efforts to evade restrictions required
6 by the United Nations Security Council on im-
7 ports or exports of arms and related materiel,
8 services, or technology by that Government.

9 (8) The strict enforcement of sanctions is es-
10 sential to the efforts by the international community
11 to achieve the peaceful, complete, verifiable, and ir-
12 reversible dismantlement of weapons of mass de-
13 struction programs of the Government of North
14 Korea.

15 **SEC. 102. DEFINITIONS.**

16 (a) IN GENERAL.—In this title, the terms “applicable
17 Executive order”, “applicable United Nations Security
18 Council resolution”, “appropriate congressional commit-
19 tees”, “Government of North Korea”, “North Korea”,
20 and “North Korean financial institution” have the mean-
21 ings given those terms in section 3 of the North Korea
22 Sanctions and Policy Enhancement Act of 2016 (22
23 U.S.C. 9202), as amended by subsection (b).

24 (b) AMENDMENTS TO DEFINITIONS IN NORTH
25 KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF

1 2016.—Section 3 of the North Korea Sanctions and Pol-
2 icy Enhancement Act of 2016 (22 U.S.C. 9202) is amend-
3 ed—

4 (1) in paragraph (1)(A), in the matter pre-
5 ceding clause (i), by striking “Executive Order No.
6 13694” and all that follows through “to the extent
7 that” and inserting the following: “Executive Order
8 13694 (50 U.S.C. 1701 note; relating to blocking
9 the property of certain persons engaging in signifi-
10 cant malicious cyber-enabled activities), Executive
11 Order 13722 (50 U.S.C. 1701 note; relating to
12 blocking the property of the Government of North
13 Korea and the Workers’ Party of Korea, and prohib-
14 iting certain transactions with respect to North
15 Korea), or Executive Order 13810 (82 Fed. Reg.
16 44705; relating to imposing additional sanctions
17 with respect to North Korea), to the extent that”;
18 and

19 (2) in paragraph (2)(A), by striking “or 2321
20 (2016)” and inserting “2321 (2016), 2356 (2017),
21 2371 (2017), or 2375 (2017)”.

1 **Subtitle A—Expansion of Sanctions**
2 **and Related Matters**

3 **SEC. 111. SANCTIONS WITH RESPECT TO FOREIGN FINAN-**
4 **CIAL INSTITUTIONS THAT PROVIDE FINAN-**
5 **CIAL SERVICES TO CERTAIN SANCTIONED**
6 **PERSONS.**

7 (a) IN GENERAL.—Title II of the North Korea Sanc-
8 tions and Policy Enhancement Act of 2016 (22 U.S.C.
9 9221 et seq.) is amended by inserting after the item relat-
10 ing to section 201A the following:

11 **“SEC. 201B. SANCTIONS WITH RESPECT TO FOREIGN FINAN-**
12 **CIAL INSTITUTIONS THAT PROVIDE FINAN-**
13 **CIAL SERVICES TO CERTAIN SANCTIONED**
14 **PERSONS.**

15 “(a) IN GENERAL.—The Secretary of the Treasury
16 shall impose one or more of the sanctions described in sub-
17 section (b) with respect to a foreign financial institution
18 that the Secretary determines, on or after the date that
19 is 90 days after the date of the enactment of the Otto
20 Warmbier Banking Restrictions Involving North Korea
21 Act of 2017, knowingly provides significant financial serv-
22 ices to any person designated for the imposition of sanc-
23 tions under—

24 “(1) subsection (a) or (b) of section 104;

25 “(2) an applicable Executive order; or

1 “(3) an applicable United Nations Security
2 Council resolution.

3 “(b) SANCTIONS DESCRIBED.—The sanctions that
4 may be imposed with respect to a foreign financial institu-
5 tion subject to subsection (a) are the following:

6 “(1) ASSET BLOCKING.—The Secretary may
7 block and prohibit, pursuant to the International
8 Emergency Economic Powers Act (50 U.S.C. 1701
9 et seq.), all transactions in all property and interests
10 in property of the foreign financial institution if
11 such property and interests in property are in the
12 United States, come within the United States, or are
13 or come within the possession or control of a United
14 States person.

15 “(2) RESTRICTIONS ON CORRESPONDENT AND
16 PAYABLE-THROUGH ACCOUNTS.—The Secretary may
17 prohibit, or impose strict conditions on, the opening
18 or maintaining in the United States of a cor-
19 respondent account or a payable-through account by
20 the foreign financial institution.

21 “(c) IMPLEMENTATION; PENALTIES.—

22 “(1) IMPLEMENTATION.—The President may
23 exercise all authorities provided under sections 203
24 and 205 of the International Emergency Economic

1 Powers Act (50 U.S.C. 1702 and 1704) to carry out
2 this section.

3 “(2) PENALTIES.—A person that violates, at-
4 tempts to violate, conspires to violate, or causes a
5 violation of this section or any regulation, license, or
6 order issued to carry out this section shall be subject
7 to the penalties set forth in subsections (b) and (c)
8 of section 206 of the International Emergency Eco-
9 nomic Powers Act (50 U.S.C. 1705) to the same ex-
10 tent as a person that commits an unlawful act de-
11 scribed in subsection (a) of that section.

12 “(d) REGULATIONS.—Not later than 180 days after
13 the date of the enactment of the Otto Warmbier Banking
14 Restrictions Involving North Korea Act of 2017, the
15 President shall, as appropriate, prescribe regulations to
16 carry out this section.

17 “(e) DEFINITIONS.—In this section:

18 “(1) ACCOUNT; CORRESPONDENT ACCOUNT;
19 PAYABLE-THROUGH ACCOUNT.—The terms ‘ac-
20 count’, ‘correspondent account’, and ‘payable-
21 through account’ have the meanings given those
22 terms in section 5318A of title 31, United States
23 Code.

24 “(2) FINANCIAL INSTITUTION.—The term ‘fi-
25 nancial institution’ means a financial institution

1 specified in subparagraph (A), (B), (C), (D), (E),
2 (F), (G), (H), (I), (J), (M), or (Y) of section
3 5312(a)(2) of title 31, United States Code.

4 “(3) FOREIGN FINANCIAL INSTITUTION.—The
5 term ‘foreign financial institution’ shall have the
6 meaning of that term as determined by the Sec-
7 retary of the Treasury.

8 “(4) KNOWINGLY.—The term ‘knowingly’, with
9 respect to conduct, a circumstance, or a result,
10 means that a person has actual knowledge, or should
11 have known, of the conduct, the circumstance, or the
12 result.”.

13 (b) CLERICAL AMENDMENT.—The table of contents
14 for the North Korea Sanctions and Policy Enhancement
15 Act of 2016 is amended by inserting after the item relat-
16 ing to section 201A the following:

“201B. Sanctions with respect to foreign financial institutions that provide fi-
nancial services to certain sanctioned persons.”.

17 **SEC. 112. CODIFICATION OF EXECUTIVE ORDERS RELATING**
18 **TO SANCTIONS WITH RESPECT TO NORTH**
19 **KOREA.**

20 (a) IN GENERAL.—Section 210 of the North Korea
21 Sanctions and Policy Enhancement Act of 2016 (22
22 U.S.C. 9230) is amended—

23 (1) by striking “United States sanctions” and
24 all that follows through “the date of the enactment

1 of this Act” and inserting “United States sanctions
2 provided for in Executive Order 13687 (50 U.S.C.
3 1701 note; relating to imposing additional sanctions
4 with respect to North Korea), Executive Order
5 13694 (50 U.S.C. 1701 note; relating to blocking
6 the property of certain persons engaging in signifi-
7 cant malicious cyber-enabled activities), Executive
8 Order 13722 (50 U.S.C. 1701 note; relating to
9 blocking the property of the Government of North
10 Korea and the Workers’ Party of Korea, and prohib-
11 iting certain transactions with respect to North
12 Korea), or Executive Order 13810 (82 Fed. Reg.
13 44705; relating to imposing additional sanctions
14 with respect to North Korea), as such Executive Or-
15 ders are in effect on the day before the date of the
16 enactment of the Otto Warmbier Banking Restric-
17 tions Involving North Korea Act of 2017”;

18 (2) by striking “the Government of North
19 Korea, persons acting for or on behalf of that Gov-
20 ernment, and persons owned or controlled, directly
21 or indirectly, by that Government or persons acting
22 for or on behalf of that Government,” and inserting
23 “persons subject to such sanctions”; and

1 (3) by striking “ and 2094 (2013)” and insert-
2 ing “2094 (2013), 2270 (2016), 2321 (2016), 2356
3 (2017), 2371 (2017), and 2375 (2017)”.

4 (b) CONFORMING AMENDMENT.—Section 210 of the
5 North Korea Sanctions and Policy Enhancement Act of
6 2016 (22 U.S.C. 9230) is amended in the section heading
7 by striking “**SANCTIONS WITH RESPECT TO NORTH**
8 **KOREAN ACTIVITIES UNDERMINING CYBERSECUR-**
9 **RITY**” and inserting “**EXECUTIVE ORDERS RELATING**
10 **TO SANCTIONS WITH RESPECT TO NORTH KOREA**”.

11 (c) CLERICAL AMENDMENT.—The table of contents
12 for the North Korea Sanctions and Policy Enhancement
13 Act of 2016 is amended by striking the item relating to
14 section 210 and inserting the following:

“Sec. 210. Codification of Executive orders relating to sanctions with respect
to North Korea.”.

15 **SEC. 113. EXPANSION OF MANDATORY DESIGNATIONS**
16 **UNDER NORTH KOREA SANCTIONS AND POL-**
17 **ICY ENHANCEMENT ACT OF 2016.**

18 (a) IN GENERAL.—Section 104(a) of the North
19 Korea Sanctions and Policy Enhancement Act of 2016 (22
20 U.S.C. 9214(a)) is amended—

21 (1) in paragraph (14), by striking “or” at the
22 end;

23 (2) by redesignating paragraph (15) as para-
24 graph (23);

1 (3) by inserting after paragraph (14) the fol-
2 lowing:

3 “(15) knowingly, directly or indirectly, pur-
4 chased or otherwise acquired from the Government
5 of North Korea significant quantities of coal, iron,
6 or iron ore;

7 “(16) knowingly, directly or indirectly, provided
8 to the Government of North Korea coal, iron, or iron
9 ore;

10 “(17) knowingly, directly or indirectly, pur-
11 chased or otherwise acquired textiles from the Gov-
12 ernment of North Korea;

13 “(18) knowingly facilitated a significant trans-
14 fer of funds or property of the Government of North
15 Korea that materially contributes to any violation of
16 an applicable United Nations Security Council reso-
17 lution;

18 “(19) knowingly, directly or indirectly, pur-
19 chased or otherwise acquired significant types or
20 amounts of seafood from North Korea;

21 “(20) knowingly, directly or indirectly, engaged
22 in, facilitated, or was responsible for the exportation
23 of workers from North Korea in a manner intended
24 to generate significant revenue, directly or indirectly,

1 for use by the Government of North Korea or by the
2 Workers' Party of Korea;

3 “(21) knowingly, directly or indirectly, sells or
4 transfers vessels to North Korea, except as specifi-
5 cally approved by the United Nations Security Coun-
6 cil;

7 “(22) knowingly contributed to—

8 “(A) the bribery of an official of the Gov-
9 ernment of North Korea or any person acting
10 for on behalf of that official;

11 “(B) the misappropriation, theft, or em-
12 bezzlement of public funds by, or for the benefit
13 of, an official of the Government of North
14 Korea or any person acting for or on behalf of
15 that official; or

16 “(C) the use of any proceeds of any activ-
17 ity described in subparagraph (A) or (B); or”;
18 and

19 (4) in paragraph (23), as redesignated by para-
20 graph (2), by striking “through (14)” and inserting
21 “through (22)”.

22 (b) CONFORMING AMENDMENTS.—The North Korea
23 Sanctions and Policy Enhancement Act of 2016 is amend-
24 ed—

1 (1) in section 104(b)(1) (22 U.S.C.
2 9214(b)(1))—

3 (A) by striking subparagraphs (B), (D),
4 (E), (F), and (L); and

5 (B) by redesignating subparagraphs (C),
6 (G), (H), (I), (J), (K), (M), and (N) as sub-
7 paragraphs (B), (C), (D), (E), (F), (G), (H),
8 and (I), respectively; and

9 (2) in section 302(b)(3) (22 U.S.C.
10 9241(b)(3)), by striking “section 104(b)(1)(M)” and
11 inserting “section 104(b)(1)(H)”.

12 **SEC. 114. EXTENSION OF APPLICABILITY PERIOD OF PRO-**
13 **LIFERATION PREVENTION SANCTIONS.**

14 Section 203(b)(2) of the North Korea Sanctions and
15 Policy Enhancement Act of 2016 (22 U.S.C. 9223(b)(2))
16 is amended by striking “2 years” and inserting “5 years”.

17 **SEC. 115. SENSE OF CONGRESS ON IDENTIFICATION AND**
18 **BLOCKING OF PROPERTY OF NORTH KOREAN**

19 **OFFICIALS.**

20 It is the sense of Congress that the President
21 should—

22 (1) encourage international collaboration
23 through the Financial Action Task Force and its
24 network of Financial Action Task Force-style re-
25 gional bodies to apply best practices in disrupting

1 money laundering related to kleptocracy and corrup-
2 tion, especially as it relates to North Korea; and

3 (2) prioritize multilateral efforts to identify and
4 block—

5 (A) any property owned or controlled by a
6 North Korean official; and

7 (B) any significant proceeds of kleptocracy
8 by the Government of North Korea or a North
9 Korean official.

10 **SEC. 116. MODIFICATION OF REPORT ON IMPLEMENTATION**
11 **OF UNITED NATIONS SECURITY COUNCIL**
12 **RESOLUTIONS BY OTHER GOVERNMENTS.**

13 Section 317 of the Korean Interdiction and Mod-
14 ernization of Sanctions Act (title III of Public Law 115–
15 44) is amended—

16 (1) in subsection (a)—

17 (A) in paragraph (3), by striking “; or”
18 and inserting a semicolon;

19 (B) by redesignating paragraph (4) as
20 paragraph (8); and

21 (C) by inserting after paragraph (3) the
22 following:

23 “(4) prohibit, in the territories of such coun-
24 tries or by persons subject to the jurisdiction of such
25 governments, the opening of new joint ventures or

1 cooperative entities with North Korean persons or
2 the expansion of existing joint ventures through ad-
3 ditional investments, whether or not for or on behalf
4 of the Government of North Korea, unless such joint
5 ventures or cooperative entities have been approved
6 by the Committee of the United Nations Security
7 Council established by United Nations Security
8 Council Resolution 1718 (2006);

9 “(5) prohibit the unauthorized clearing of funds
10 by North Korean financial institutions through fi-
11 nancial institutions subject to the jurisdiction of
12 such governments;

13 “(6) prohibit the unauthorized conduct of com-
14 mercial trade with North Korea that is prohibited
15 under applicable United Nations Security Council
16 resolutions;

17 “(7) prevent the provision of financial services
18 to North Korean persons or the transfer of financial
19 services to North Korean persons to, through, or
20 from the territories of such countries or by persons
21 subject to the jurisdiction of such governments; or”;

22 and

23 (2) by amending subsection (c) to read as fol-
24 lows:

25 “(c) DEFINITIONS.—In this section:

1 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES AND LEADERSHIP.—The term ‘appropriate
3 congressional committees and leadership’ means—

4 “(A) the Committee on Foreign Relations,
5 the Committee on Banking, Housing, and
6 Urban Affairs, and the majority and minority
7 leaders of the Senate; and

8 “(B) the Committee on Foreign Affairs,
9 the Committee on Financial Services, the Com-
10 mittee on Ways and Means, and the Speaker,
11 the majority leader, and the minority leader of
12 the House of Representatives.

13 “(2) APPLICABLE UNITED NATIONS SECURITY
14 COUNCIL RESOLUTION; NORTH KOREAN FINANCIAL
15 INSTITUTION; NORTH KOREAN PERSON.—The terms
16 ‘applicable United Nations Security Council resolu-
17 tion’, ‘North Korean financial institution’, and
18 ‘North Korean person’ have the meanings given
19 those terms in section 3 of the North Korea Sanc-
20 tions and Policy Enhancement Act of 2016 (22
21 U.S.C. 9202).”.

1 **SEC. 117. REPORT ON USE BY THE GOVERNMENT OF**
2 **NORTH KOREA OF BENEFICIAL OWNERSHIP**
3 **RULES TO ACCESS THE INTERNATIONAL FI-**
4 **NANCIAL SYSTEM.**

5 (a) IN GENERAL.—Not later than 180 days after the
6 date of the enactment of this Act, the Secretary of the
7 Treasury shall submit to the appropriate congressional
8 committees a report setting forth the findings of the Sec-
9 retary regarding how the Government of North Korea is
10 exploiting laws regarding beneficial ownership of property
11 to access the international financial system.

12 (b) ELEMENTS.—The Secretary shall include in the
13 report required under subsection (a) proposals for such
14 legislative and administrative action as the Secretary con-
15 siders appropriate to combat the abuse by the Government
16 of North Korea of shell companies and other similar enti-
17 ties to avoid or evade sanctions.

18 (c) FORM.—The report required by subsection (a)
19 shall be submitted in unclassified form but may include
20 a classified annex.

21 **Subtitle B—Congressional Review**
22 **and Oversight**

23 **SEC. 121. NOTIFICATION OF TERMINATION OR SUSPENSION**
24 **OF SANCTIONS.**

25 Not less than 15 days before taking any action to
26 terminate or suspend the application of sanctions under

1 this title or an amendment made by this title, the Presi-
2 dent shall notify the appropriate congressional committees
3 of the President’s intent to take the action and the reasons
4 for the action.

5 **SEC. 122. REPORTS ON CERTAIN LICENSING ACTIONS.**

6 (a) IN GENERAL.—Not later than 180 days after the
7 date of the enactment of this Act, and every 180 days
8 thereafter, the President shall submit to the appropriate
9 congressional committees a report on the operation of the
10 system for issuing licenses for transactions under covered
11 regulatory provisions during the preceding 180-day period
12 that includes—

13 (1) the number and types of such licenses ap-
14 plied for during that period;

15 (2) the number and types of such licenses
16 issued during that period; and

17 (3) a summary of all general and specific li-
18 censes issued with respect to North Korea.

19 (b) COVERED REGULATORY PROVISION DEFINED.—
20 In this section, the term “covered regulatory provision”
21 means any of the following provisions, as in effect on the
22 day before the date of the enactment of this Act and as
23 such provisions relate to North Korea:

24 (1) Part 743, 744, or 746 of title 15, Code of
25 Federal Regulations.

1 submit to the appropriate congressional committees
2 a report on sources of external support for the Gov-
3 ernment of North Korea that includes—

4 (A) a description of the methods used by
5 the Government of North Korea to deal in,
6 transact in, or conceal the ownership, control,
7 or origin of goods and services exported by
8 North Korea;

9 (B) an assessment of the relationship be-
10 tween the proliferation of weapons of mass de-
11 struction by the Government of North Korea
12 and the financial industry or financial institu-
13 tions;

14 (C) a description of the export by any per-
15 son to the United States of goods, services, or
16 technology that are made with significant
17 amounts of North Korean labor, material, or
18 goods, including minerals, manufacturing, sea-
19 food, overseas labor, or other exports from
20 North Korea;

21 (D) an assessment of the involvement of
22 any person in human trafficking involving citi-
23 zens or nationals of North Korea;

24 (E) a description of how the President
25 plans to address the flow of funds generated by

1 activities described in subparagraphs (A)
2 through (D), including through the use of sanc-
3 tions or other means;

4 (F) an assessment of the extent to which
5 the Government of North Korea engages in
6 criminal activities, including money laundering,
7 to support that Government;

8 (G) information relating to the identifica-
9 tion, blocking, and release of property described
10 in section 201B(b)(1) of the North Korea Sanc-
11 tions and Policy Enhancement Act of 2016, as
12 added by section 111;

13 (H) a description of the metrics used to
14 measure the effectiveness of law enforcement
15 and diplomatic initiatives of Federal, State, and
16 foreign governments to comply with the provi-
17 sions of applicable United Nations Security
18 Council resolutions; and

19 (I) an assessment of the effectiveness of
20 programs within the financial industry to en-
21 sure compliance with United States sanctions,
22 applicable United Nations Security Council res-
23 olutions, and applicable Executive orders.

1 (2) FORM.—Each report required by paragraph
2 (1) shall be submitted in unclassified form but may
3 include a classified annex.

4 (b) INTERAGENCY COORDINATION.—The President
5 shall ensure that any information collected pursuant to
6 subsection (a) is shared among the Federal departments
7 and agencies involved in investigations described in section
8 102(b) of the North Korea Sanctions and Policy Enhance-
9 ment Act of 2016 (22 U.S.C. 9212(b)).

10 **SEC. 125. REPORT ON NORTH KOREAN CYBER CAPABILI-**
11 **TIES AND THREATS TO UNITED STATES ECO-**
12 **NOMIC AND SECURITY INTERESTS.**

13 Section 209(a)(2) of the North Korea Sanctions and
14 Policy Enhancement Act of 2016 (22 U.S.C. 9229(a)(2))
15 is amended—

16 (1) in subparagraph (C), by striking “; and”
17 and inserting a semicolon;

18 (2) by redesignating subparagraph (D) as sub-
19 paragraph (E); and

20 (3) by inserting after subparagraph (C) the fol-
21 lowing:

22 “(D) an analysis of the cyber capabilities
23 of the Government of North Korea, the threat
24 posed by such capabilities, and the capacity of
25 the Government of North Korea to potentially

1 undermine United States economic and security
2 interests, including the United States financial
3 system; and”.

4 **SEC. 126. REPORT OF COUNTRIES OF CONCERN WITH RE-**
5 **SPECT TO TRANSSHIPMENT, REEXPOR-**
6 **TATION, OR DIVERSION OF CERTAIN ITEMS**
7 **TO NORTH KOREA.**

8 (a) IN GENERAL.—Not later than 180 days after the
9 date of the enactment of this Act, and annually thereafter
10 through 2021, the Director of National Intelligence shall
11 submit to the President, the Secretary of Defense, the Sec-
12 retary of Commerce, the Secretary of State, the Secretary
13 of the Treasury, and the appropriate congressional com-
14 mittees a report that identifies all countries that the Di-
15 rector determines are of concern with respect to trans-
16 shipment, reexportation, or diversion of items subject to
17 the provisions of the Export Administration Regulations
18 under subchapter C of chapter VII of title 15, Code of
19 Federal Regulations, to an entity owned or controlled by
20 the Government of North Korea.

21 (b) FORM.—Each report required by subsection (a)
22 shall be submitted in unclassified form but may include
23 a classified annex.

1 **Subtitle C—General Matters**

2 **SEC. 131. RULEMAKING.**

3 The President shall prescribe such rules and regula-
4 tions as may be necessary to carry out this title and
5 amendments made by this title.

6 **SEC. 132. AUTHORITY TO CONSOLIDATE REPORTS.**

7 (a) **IN GENERAL.**—Any and all reports required to
8 be submitted to the appropriate congressional committees
9 under this title or an amendment made by this title that
10 are subject to a deadline for submission consisting of the
11 same unit of time may be consolidated into a single report
12 that is submitted pursuant to that deadline.

13 (b) **CONTENTS.**—Any reports consolidated under sub-
14 section (a) shall contain all information required under
15 this title or an amendment made by this title and any
16 other elements that may be required by existing law.

17 **SEC. 133. WAIVERS, EXEMPTIONS, AND TERMINATION.**

18 (a) **APPLICATION AND MODIFICATION OF EXEMP-**
19 **TIONS AND WAIVERS FROM NORTH KOREA SANCTIONS**
20 **AND POLICY ENHANCEMENT ACT OF 2016.**—Section 208
21 of the North Korea Sanctions and Policy Enhancement
22 Act of 2016 (22 U.S.C. 9228) is amended—

23 (1) by inserting “201B,” after “201A,” each
24 place it appears; and

1 (2) in subsection (c), by inserting “, not less
2 than 15 days before the waiver takes effect,” after
3 “if the President”.

4 (b) EXCEPTION RELATING TO IMPORTATION OF
5 GOODS.—

6 (1) IN GENERAL.—No provision affecting sanc-
7 tions under this title or an amendment made by this
8 title shall apply to sanctions on the importation of
9 goods.

10 (2) GOOD DEFINED.—In this subsection, the
11 term “good” has the meaning given that term in
12 section 16 of the Export Administration Act of 1979
13 (50 U.S.C. 4618) (as continued in effect pursuant to
14 the International Emergency Economic Powers Act
15 (50 U.S.C. 1701 et seq.)).

16 (c) SUSPENSION.—

17 (1) IN GENERAL.—Subject to section 121, any
18 requirement to impose sanctions under this title or
19 the amendments made by this title, and any sanc-
20 tions imposed pursuant to this title or any such
21 amendment, may be suspended for up to one year if
22 the President makes the certification described in
23 section 401 of the North Korea Sanctions and Policy
24 Enhancement Act of 2016 (22 U.S.C. 9251) to the
25 appropriate congressional committees.

1 (2) RENEWAL.—A suspension under paragraph
2 (1) may be renewed in accordance with section
3 401(b) of the North Korea Sanctions and Policy En-
4 hancement Act of 2016 (22 U.S.C. 9251(b)).

5 (d) TERMINATION.—Subject to section 121, any re-
6 quirement to impose sanctions under this title or the
7 amendments made by this title, and any sanctions imposed
8 pursuant to this title or any such amendment, shall termi-
9 nate on the date on which the President makes the certifi-
10 cation described in section 402 of the North Korea Sanc-
11 tions and Policy Enhancement Act of 2016 (22 U.S.C.
12 9252).

13 **SEC. 134. PROCEDURES FOR REVIEW OF CLASSIFIED IN-**
14 **FORMATION.**

15 (a) IN GENERAL.—If a finding under this title or an
16 amendment made by this title, a prohibition, condition, or
17 penalty imposed as a result of any such finding, or a pen-
18 alty imposed under this title or an amendment made by
19 this title, is based on classified information (as defined
20 in section 1(a) of the Classified Information Procedures
21 Act (18 U.S.C. App.)) and a court reviews the finding or
22 the imposition of the prohibition, condition, or penalty, the
23 Secretary of the Treasury may submit such information
24 to the court ex parte and in camera.

1 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed to confer or imply any right to judi-
3 cial review of any finding under this title or an amendment
4 made by this title, any prohibition, condition, or penalty
5 imposed as a result of any such finding, or any penalty
6 imposed under this title or an amendment made by this
7 title.

8 **TITLE II—DIVESTMENT FROM**
9 **NORTH KOREA**

10 **SEC. 201. AUTHORITY OF STATE AND LOCAL GOVERN-**
11 **MENTS TO DIVEST FROM COMPANIES THAT**
12 **INVEST IN NORTH KOREA.**

13 (a) SENSE OF CONGRESS.—It is the sense of Con-
14 gress that the United States should support the decision
15 of any State or local government made for moral, pruden-
16 tial, or reputational reasons, to divest from, or prohibit
17 the investment of assets of the State or local government
18 in, a person that engages in investment activities described
19 in subsection (c) if North Korea is subject to economic
20 sanctions imposed by the United States or the United Na-
21 tions Security Council.

22 (b) AUTHORITY TO DIVEST.—Notwithstanding any
23 other provision of law, a State or local government may
24 adopt and enforce measures that meet the requirements
25 of subsection (d) to divest the assets of the State or local

1 government from, or prohibit investment of the assets of
2 the State or local government in, any person that the
3 State or local government determines, using credible infor-
4 mation available to the public, engages in investment ac-
5 tivities described in subsection (c) of a value of more than
6 \$10,000.

7 (c) INVESTMENT ACTIVITIES DESCRIBED.—Invest-
8 ment activities described in this subsection are activities
9 relating to an investment in North Korea or in goods or
10 services originating in North Korea that are not conducted
11 pursuant to a license issued by the Department of the
12 Treasury.

13 (d) REQUIREMENTS.—Any measure taken by a State
14 or local government under subsection (b) shall meet the
15 following requirements:

16 (1) NOTICE.—The State or local government
17 shall provide written notice to each person with re-
18 spect to which a measure under this section is to be
19 applied.

20 (2) TIMING.—The measure applied under this
21 section shall apply to a person not earlier than the
22 date that is 90 days after the date on which written
23 notice under paragraph (1) is provided to the per-
24 son.

1 (3) OPPORTUNITY TO DEMONSTRATE COMPLI-
2 ANCE.—

3 (A) IN GENERAL.—The State or local gov-
4 ernment shall provide to each person with re-
5 spect to which a measure is to be applied under
6 this section an opportunity to demonstrate to
7 the State or local government that the person
8 does not engage in investment activities de-
9 scribed in subsection (c).

10 (B) NONAPPLICATION.—If a person with
11 respect to which a measure is to be applied
12 under this section demonstrates to the State or
13 local government under subparagraph (A) that
14 the person does not engage in investment activi-
15 ties described in subsection (c), the measure
16 shall not apply to that person.

17 (4) SENSE OF CONGRESS ON AVOIDING ERRO-
18 NEOUS TARGETING.—It is the sense of Congress
19 that a State or local government should not adopt
20 a measure under subsection (b) with respect to a
21 person unless the State or local government has—

22 (A) made every effort to avoid erroneously
23 targeting the person; and

24 (B) verified that the person engages in in-
25 vestment activities described in subsection (c).

1 (e) NOTICE TO DEPARTMENT OF JUSTICE.—Not
2 later than 30 days before a State or local government ap-
3 plies a measure under this section, the State or local gov-
4 ernment shall notify the Attorney General of that meas-
5 ure.

6 (f) AUTHORIZATION FOR PRIOR APPLIED MEAS-
7 URES.—

8 (1) IN GENERAL.—Notwithstanding any other
9 provision of this section or any other provision of
10 law, a State or local government may enforce a
11 measure (without regard to the requirements of sub-
12 section (d), except as provided in paragraph (2)) ap-
13 plied by the State or local government before the
14 date of the enactment of this Act that provides for
15 the divestment of assets of the State or local govern-
16 ment from, or prohibits the investment of the assets
17 of the State or local government in, any person that
18 the State or local government determines, using
19 credible information available to the public, engages
20 in investment activities described in subsection (c)
21 that are identified in that measure.

22 (2) APPLICATION OF NOTICE REQUIRE-
23 MENTS.—A measure described in paragraph (1)
24 shall be subject to the requirements of paragraphs
25 (1), (2), and (3)(A) of subsection (d) on and after

1 the date that is 2 years after the date of the enact-
2 ment of this Act.

3 (g) NO PREEMPTION.—A measure applied by a State
4 or local government that is consistent with subsection (b)
5 or (f) is not preempted by any Federal law.

6 (h) DEFINITIONS.—In this section:

7 (1) ASSET.—

8 (A) IN GENERAL.—Except as provided in
9 subparagraph (B), the term “asset” means
10 public monies, and includes any pension, retire-
11 ment, annuity, endowment fund, or similar in-
12 strument, that is controlled by a State or local
13 government.

14 (B) EXCEPTION.—The term “asset” does
15 not include employee benefit plans covered by
16 title I of the Employee Retirement Income Se-
17 curity Act of 1974 (29 U.S.C. 1001 et seq.).

18 (2) INVESTMENT.—The term “investment” in-
19 cludes—

20 (A) a commitment or contribution of funds
21 or property;

22 (B) a loan or other extension of credit; and

23 (C) the entry into or renewal of a contract
24 for goods or services.

25 (i) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2) and subsection (f), this section applies to
3 measures applied by a State or local government be-
4 fore, on, or after the date of the enactment of this
5 Act.

6 (2) NOTICE REQUIREMENTS.—Except as pro-
7 vided in subsection (i), subsections (d) and (e) apply
8 to measures applied by a State or local government
9 on or after the date of the enactment of this Act.

10 **SEC. 202. SAFE HARBOR FOR CHANGES OF INVESTMENT**
11 **POLICIES BY ASSET MANAGERS.**

12 Section 13(c)(1) of the Investment Company Act of
13 1940 (15 U.S.C. 80a–13(c)(1)) is amended—

14 (1) in subparagraph (A), by striking “or” at
15 the end;

16 (2) in subparagraph (B), by striking the period
17 and inserting “; or”; and

18 (3) by adding at the end the following:

19 “(C) engage in investment activities de-
20 scribed in section 201(c) of the Otto Warmbier
21 Banking Restrictions Involving North Korea
22 Act of 2017.”.

23 **SEC. 203. SENSE OF CONGRESS REGARDING CERTAIN**
24 **ERISA PLAN INVESTMENTS.**

25 It is the sense of Congress that—

1 (1) a fiduciary of an employee benefit plan, as
2 defined in section 3(3) of the Employee Retirement
3 Income Security Act of 1974 (29 U.S.C. 1002(3)),
4 may divest plan assets from, or avoid investing plan
5 assets in, any person the fiduciary determines en-
6 gages in investment activities described in section
7 201(c), if—

8 (A) the fiduciary makes that determination
9 using credible information that is available to
10 the public; and

11 (B) the fiduciary prudently determines
12 that the result of that divestment or avoidance
13 of investment would not be expected to provide
14 the employee benefit plan with—

15 (i) a lower rate of return than alter-
16 native investments with commensurate de-
17 grees of risk; or

18 (ii) a higher degree of risk than alter-
19 native investments with commensurate
20 rates of return; and

21 (2) by divesting assets or avoiding the invest-
22 ment of assets as described in paragraph (1), the fi-
23 duciary is not breaching the responsibilities, obliga-
24 tions, or duties imposed upon the fiduciary by sub-
25 paragraph (A) or (B) of section 404(a)(1) of the

1 Employee Retirement Income Security Act of 1974
2 (29 U.S.C. 1104(a)(1)).

3 **SEC. 204. RULE OF CONSTRUCTION.**

4 Nothing in this title, an amendment made by this
5 title, or any other provision of law authorizing sanctions
6 with respect to North Korea shall be construed to affect
7 or displace—

8 (1) the authority of a State or local government
9 to issue and enforce rules governing the safety,
10 soundness, and solvency of a financial institution
11 subject to its jurisdiction; or

12 (2) the regulation and taxation by the several
13 States of the business of insurance, pursuant to the
14 Act of March 9, 1945 (59 Stat. 33, chapter 20; 15
15 U.S.C. 1011 et seq.) (commonly known as the
16 “McCarran-Ferguson Act”).

17 **TITLE III—FINANCIAL INDUSTRY**
18 **GUIDANCE TO HALT TRAF-**
19 **FICKING**

20 **SEC. 301. SHORT TITLE.**

21 This title may be cited as the “Financial Industry
22 Guidance to Halt Trafficking Act” or the “ FIGHT Act”.

23 **SEC. 302. FINDINGS.**

24 Congress finds the following:

1 (1) The terms “human trafficking” and “traf-
2 ficking in persons” are used interchangeably to de-
3 scribe crimes involving the exploitation of a person
4 for the purposes of compelled labor or commercial
5 sex through the use of force, fraud, or coercion.

6 (2) According to the International Labour Or-
7 ganization, there are an estimated 24,900,000 peo-
8 ple worldwide who are victims of forced labor, in-
9 cluding human trafficking victims in the United
10 States.

11 (3) Human trafficking is perpetrated for finan-
12 cial gain.

13 (4) According to the International Labour Or-
14 ganization, of the estimated \$150,000,000,000 or
15 more in global profits generated annually from
16 human trafficking—

17 (A) approximately $\frac{2}{3}$ are generated by
18 commercial sexual exploitation, exacted by
19 fraud or by force; and

20 (B) approximately $\frac{1}{3}$ are generated by
21 forced labor.

22 (5) Most purchases of commercial sex acts are
23 paid for with cash, making trafficking proceeds dif-
24 ficult to identify in the financial system. Nonethe-
25 less, traffickers rely heavily on access to financial in-

1 stitutions as destinations for trafficking proceeds
2 and as conduits to finance every step of the traf-
3 ficking process.

4 (6) Under section 1956 of title 18, United
5 States Code (relating to money laundering), human
6 trafficking is a “specified unlawful activity” and
7 transactions conducted with proceeds earned from
8 trafficking people, or used to further trafficking op-
9 erations, can be prosecuted as money laundering of-
10 fenses.

11 **SEC. 303. SENSE OF CONGRESS.**

12 It is the sense of Congress that—

13 (1) the President should aggressively apply, as
14 appropriate, existing sanctions for human trafficking
15 authorized under section 111 of the Trafficking Vic-
16 tims Protection Act of 2000 (22 U.S.C. 7108);

17 (2) the Financial Crimes Enforcement Network
18 of the Department of the Treasury should con-
19 tinue—

20 (A) to monitor reporting required under
21 subchapter II of chapter 53 of title 31, United
22 States Code (commonly known as the “Bank
23 Secrecy Act”) and to update advisories, as war-
24 ranted;

1 (B) to periodically review its advisories to
2 provide covered financial institutions, as appro-
3 priate, with a list of new “red flags” for identi-
4 fying activities of concern, particularly human
5 trafficking;

6 (C) to encourage entities covered by the
7 advisories described in subparagraph (B) to in-
8 corporate relevant elements provided in the
9 advisories to their current transaction and ac-
10 count monitoring systems or in policies, proce-
11 dures, and training on human trafficking to en-
12 able financial institutions to maintain ongoing
13 efforts to examine transactions and accounts;

14 (D) to use geographic targeting orders, as
15 appropriate, to impose additional reporting and
16 recordkeeping requirements under section
17 5326(a) of title 31, United States Code, to
18 carry out the purposes of, and prevent evasions
19 of the Bank Secrecy Act; and

20 (E) to utilize the Bank Secrecy Act Advi-
21 sory Group and other relevant entities to iden-
22 tify opportunities for nongovernmental organi-
23 zations to share relevant actionable information
24 on human traffickers’ use of the financial sector
25 for nefarious purposes;

1 (3) Federal banking regulators, the Department
2 of the Treasury, relevant law enforcement agencies,
3 and the Human Smuggling and Trafficking Center,
4 in partnership with representatives from the United
5 States financial community, should adopt regular
6 forms of sharing information to disrupt human traf-
7 ficking, including developing protocols and proce-
8 dures to share actionable information between and
9 amongst covered institutions, law enforcement, and
10 the United States intelligence community;

11 (4) training front line bank and money service
12 business employees, school teachers, law enforcement
13 officers, foreign service officers, counselors, and the
14 general public is an important factor in identifying
15 trafficking victims;

16 (5) the Department of Homeland Security's
17 Blue Campaign, training by the BEST Employers
18 Alliance, and similar efforts by industry, human
19 rights, and nongovernmental organizations focused
20 on human trafficking provide good examples of cur-
21 rent efforts to educate employees of critical sectors
22 to save victims and disrupt trafficking networks;

23 (6) the President should intensify diplomatic ef-
24 forts, bilaterally and in appropriate international
25 fora, such as the United Nations, to develop and im-

1 plement a coordinated, consistent, multilateral strat-
2 egy for addressing the international financial net-
3 works supporting human trafficking; and

4 (7) in deliberations between the United States
5 Government and any foreign country, including
6 through participation in the Egmont Group of Fi-
7 nancial Intelligence Units, regarding money laun-
8 dering, corruption, and transnational crimes, the
9 United States Government should—

10 (A) encourage cooperation by foreign gov-
11 ernments and relevant international fora in
12 identifying the extent to which the proceeds
13 from human trafficking are being used to facili-
14 tate terrorist financing, corruption, or other il-
15 licit financial crimes;

16 (B) encourage cooperation by foreign gov-
17 ernments and relevant international fora in
18 identifying the nexus between human traf-
19 ficking and money laundering;

20 (C) advance policies that promote the co-
21 operation of foreign governments, through in-
22 formation sharing, training or other measures,
23 in the enforcement of this title;

24 (D) encourage the Financial Action Task
25 Force to update its July 2011 typology reports

1 entitled, “Laundering the Proceeds of Corrup-
2 tion” and “Money Laundering Risks Arising
3 from Trafficking in Human Beings and Smug-
4 gling of Migrants”, to identify the money laun-
5 dering risk arising from the trafficking of
6 human beings; and

7 (E) encourage the Egmont Group of Fi-
8 nancial Intelligence Units to study the extent to
9 which human trafficking operations are being
10 used for money laundering, terrorist financing,
11 or other illicit financial purposes.

12 **SEC. 304. COORDINATION OF HUMAN TRAFFICKING ISSUES**

13 **BY THE OFFICE OF TERRORISM AND FINAN-**
14 **CIAL INTELLIGENCE.**

15 (a) FUNCTIONS.—Section 312(a)(4) of title 31,
16 United States Code, is amended—

17 (1) by redesignating subparagraphs (E), (F),
18 and (G) as subparagraphs (F), (G), and (H), respec-
19 tively; and

20 (2) by inserting after subparagraph (D) the fol-
21 lowing:

22 “(E) combating illicit financing relating to
23 human trafficking;”.

1 (b) INTERAGENCY COORDINATION.—Section 312(a)
2 of such title is amended by adding at the end the fol-
3 lowing:

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

10 “(A) other offices of the Department of the
11 Treasury;

12 “(B) other Federal agencies, including—

13 “(i) the Office to Monitor and Combat
14 Trafficking in Persons of the Department
15 of State; and

16 “(ii) the Interagency Task Force to
17 Monitor and Combat Trafficking;

18 “(C) State and local law enforcement agen-
19 cies; and

20 “(D) foreign governments.”.

1 **SEC. 305. STRENGTHENING THE ROLE OF ANTI-MONEY**
2 **LAUNDERING AND OTHER FINANCIAL TOOLS**
3 **IN COMBATING HUMAN TRAFFICKING.**

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

7 (1) IN GENERAL.—Not later than 270 days
8 after the date of the enactment of this Act, the
9 Interagency Task Force to Monitor and Combat
10 Trafficking shall submit to the Committee on Bank-
11 ing, Housing, and Urban Affairs of the Senate, the
12 Committee on the Judiciary of the Senate, the Com-
13 mittee on Financial Services of the House of Rep-
14 resentatives, the Committee on the Judiciary of the
15 House of Representatives, the Secretary of the
16 Treasury, and each appropriate Federal banking
17 agency—

18 (A) an analysis of anti-money laundering
19 efforts of the United States Government and
20 United States financial institutions related to
21 human trafficking; and

22 (B) appropriate legislative, administrative,
23 and other recommendations to strengthen ef-
24 forts against money laundering relating to
25 human trafficking.

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

3 (A) best practices based on successful anti-
4 human trafficking programs currently in place
5 at financial institutions that are suitable for
6 broader adoption;

7 (B) stakeholder feedback on policy pro-
8 posals derived from the analysis conducted by
9 the task force referred to in paragraph (1) that
10 would enhance the efforts and programs of fi-
11 nancial institutions to detect and deter money
12 laundering related to human trafficking, includ-
13 ing any recommended changes to internal poli-
14 cies, procedures, and controls related to human
15 trafficking;

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

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 agen-
25 cies.

1 (b) ADDITIONAL REPORTING REQUIREMENT.—Sec-
2 tion 105(d)(7) of the Trafficking Victims Protection Act
3 of 2000 (22 U.S.C. 7103(d)(7)) is amended—

4 (1) in the matter preceding subparagraph (A)—

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

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

11 (2) in subparagraph (Q)(vii), by striking “;
12 and” and inserting a semicolon;

13 (3) in subparagraph (R), by striking the period
14 at the end and inserting “; and”; and

15 (4) by adding at the end the following:

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

22 (c) REQUIRED REVIEW OF PROCEDURES.—Not later
23 than 180 days after the date of the enactment of this Act,
24 the Federal Financial Institutions Examination Council,
25 in consultation with the Secretary of the Treasury, the pri-

1 vate sector, and appropriate law enforcement agencies,
2 shall—

3 (1) review and enhance training and examina-
4 tions procedures to improve the surveillance capabili-
5 ties of anti-money laundering, and countering the fi-
6 nancing of terrorism programs to detect human traf-
7 ficking-related financial transactions;

8 (2) review and enhance procedures for referring
9 potential human trafficking cases to the appropriate
10 law enforcement agency; and

11 (3) determine, as appropriate, whether require-
12 ments for financial institutions and covered financial
13 institutions are sufficient to detect and deter money
14 laundering related to human trafficking.

15 **SEC. 306. SENSE OF CONGRESS.**

16 It is the sense of Congress that—

17 (1) adequate funding should be provided for
18 critical Federal efforts to combat human trafficking;

19 (2) the Department of the Treasury should
20 have the appropriate resources to vigorously inves-
21 tigate human trafficking networks under section 111
22 of the Trafficking Victims Protection Act of 2000
23 (22 U.S.C. 7108) and other relevant statutes and
24 Executive orders;

1 (3) the Department of the Treasury and the
2 Department of Justice should each have the capacity
3 and appropriate resources to support technical as-
4 sistance to develop foreign partners' ability to com-
5 bat human trafficking through strong national anti-
6 money laundering and countering the financing of
7 terrorism programs;

8 (4) each United States Attorney's Office should
9 be provided appropriate funding to increase the
10 number of personnel for community education and
11 outreach and investigative support and forensic anal-
12 ysis related to human trafficking; and

13 (5) the Department of State should be provided
14 additional resources, as necessary, to carry out the
15 Survivors of Human Trafficking Empowerment Act
16 (section 115 of Public Law 114–22; 129 Stat. 243).

17 **TITLE IV—DEFENSE**
18 **PRODUCTION ACT MATTERS**

19 **SEC. 401. LIMITATION ON CANCELLATION OF DESIGNATION**
20 **OF SECRETARY OF THE AIR FORCE AS DE-**
21 **PARTMENT OF DEFENSE EXECUTIVE AGENT**
22 **FOR A CERTAIN DEFENSE PRODUCTION ACT**
23 **PROGRAM.**

24 (a) **LIMITATION ON CANCELLATION OF DESIGNA-**
25 **TION.**—The Secretary of Defense may not implement the

1 decision, issued on July 1, 2017, to cancel the designation,
2 under Department of Defense Directive 4400.01E, enti-
3 tled “Defense Production Act Programs” and dated Octo-
4 ber 12, 2001, of the Secretary of the Air Force as the
5 Department of Defense Executive Agent for the program
6 carried out under title III of the Defense Production Act
7 of 1950 (50 U.S.C. 4531 et seq.) until the date specified
8 in subsection (c).

9 (b) DESIGNATION.—The Secretary of the Air Force
10 shall continue to serve as the sole and exclusive Depart-
11 ment of Defense Executive Agent for the program de-
12 scribed in subsection (a) until the date specified in sub-
13 section (c).

14 (c) DATE SPECIFIED.—The date specified in this
15 subsection is the date of the enactment of a joint resolu-
16 tion or an Act approving the implementation of the deci-
17 sion described in subsection (a).