

OFAC LICENSURE FOR INVESTIGATORS ACT

JANUARY 9, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MCHENRY, from the Committee on Financial Services,
submitted the following

R E P O R T

[To accompany H.R. 6370]

The Committee on Financial Services, to whom was referred the bill (H.R. 6370) 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 with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "OFAC Licensure for Investigators Act".

SEC. 2. SENDING AND RECEIVING OF NOMINAL AMOUNTS.

(a) IN GENERAL.—The Director of the Office of Foreign Assets Control shall, not later than 1 year after the date of the enactment of this Act, establish 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.

(b) COORDINATION.—When establishing and carrying out the pilot program required under subsection (a), the Director of the Office of Foreign Assets Control shall coordinate with the Director of the Financial Crimes Enforcement Network for the purposes of supporting activities of the FinCEN Exchange, as described in section 310(d) of title 31 of the United States Code.

(c) REPORTING ON ACTIVITIES.—Each private sector firm that receives a license described under subsection (a) shall submit a detailed monthly report to the Director of the Office of Foreign Assets Control on the activities of the firm conducted under such license.

(d) TERMINATION.—The pilot program established by the Director of the Office of Foreign Assets Control under subsection (a) shall terminate on the date that is 5 years after the date on which the Director of the Office of Foreign Assets Control establishes such program.

Amend the title so as to read:

A bill 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.

PURPOSE AND SUMMARY

Introduced on November 13, 2023, by Representative Joyce Beatty, H.R. 6370, 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. 6370 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.

HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop H.R. 6370: The Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services held a hearing on October 25, 2023, titled "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror."

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on November 14, 2023, and ordered H.R. 6370 to be reported favorably to the House as amended by a recorded vote of 50 ayes to 0 nays (Record vote no. FC-117), a quorum being present. Before the question was called to order the bill favorably reported, the Committee adopted an amendment in the nature of a substitute offered by Ms. Beatty by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the order to report legislation and amendments thereto. H.R. 6370 was ordered reported favorably to the House as amended by a recorded vote of 50 ayes to 0 nays (Record vote no. FC-117), a quorum being present.

Record vote no. FC- 117

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	X	—	—	Ms. Waters	X	—	—
Mr. Hill	X	—	—	Mrs. Velázquez	X	—	—
Mr. Lucas	X	—	—	Mr. Sherman	X	—	—
Mr. Sessions	X	—	—	Mr. Meeks	X	—	—
Mr. Posey	X	—	—	Mr. Scott	X	—	—
Mr. Luetkemeyer	X	—	—	Mr. Lynch	X	—	—
Mr. Huizenga	X	—	—	Mr. Green	X	—	—
Mrs. Wagner	X	—	—	Mr. Cleaver	X	—	—
Mr. Barr	X	—	—	Mr. Himes	—	—	—
Mr. Williams (TX)	X	—	—	Mr. Foster	X	—	—
Mr. Emmer	X	—	—	Mrs. Beatty	X	—	—
Mr. Loudermilk	X	—	—	Mr. Vargas	X	—	—
Mr. Mooney	X	—	—	Mr. Gottheimer	X	—	—
Mr. Davidson	X	—	—	Mr. Gonzalez	X	—	—
Mr. Rose	X	—	—	Mr. Casten	X	—	—
Mr. Steil	X	—	—	Ms. Pressley	X	—	—
Mr. Timmons	X	—	—	Mr. Horsford	X	—	—
Mr. Norman	X	—	—	Ms. Tlaib	X	—	—
Mr. Meuser	X	—	—	Mr. Torres	X	—	—
Mr. Fitzgerald	X	—	—	Ms. Garcia	X	—	—
Mr. Garbarino	—	—	—	Ms. Williams (GA)	X	—	—
Mrs. Kim	X	—	—	Mr. Nickel	X	—	—
Mr. Donalds	X	—	—	Ms. Pettersen	X	—	—
Mr. Flood	X	—	—				
Mr. Lawler	X	—	—				
Mr. Nunn	X	—	—				
Ms. De La Cruz	X	—	—				
Mrs. Houchin	X	—	—				
Mr. Ogles	X	—	—				

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. 6370 is to require the Director of OFAC to develop a 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.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1973.

FEDERAL MANDATES STATEMENT

Pursuant to section 423 of the Unfunded Mandates Reform Act, the Committee adopts as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office.

ADVISORY COMMITTEE STATEMENT

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

APPLICABILITY TO 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.

EARMARK IDENTIFICATION

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill 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.

DUPLICATION OF FEDERAL PROGRAMS

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

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This Act may be cited as the “OFAC Licensure for Investigators Act”.

Section 2. Sending and receiving of nominal amounts

- In General
 - The Director of OFAC is to establish a pilot program that will allow a private sector firm to receive a license that would allow it to conduct nominal financial transactions to further an investigation.
 - This pilot program must be instituted no later than 1 year after the enactment date of this Section.
- Coordination
 - The Director of OFAC will coordinate with the Director of the Financial Crimes Enforcement Network (FinCEN) to support activities of FinCEN—described in section 310(d) of title 31 of the United States Code—as the pilot program is established and carried out.
- Reporting on Activities
 - Any private sector firm that obtains a license described in subsection (a) must submit detailed monthly reports to the Director of OFAC describing its activities conducted under the license.
- Termination
 - The pilot program will sunset on the date that is 5 years after the date that the Director of OFAC establishes the program.

COMMITTEE CORRESPONDENCE

MICHAEL T. McCAUL, TEXAS
CHAIRMAN

GREGORY W. MEEKS, NEW YORK
RANKING MEMBER



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

February 9, 2023

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McHenry:

Thank you for consulting with the Committee on Foreign Affairs on H.R. 6370, the *OFAC Licensure for Investigators Act*. Based on your commitment to incorporate agreed edits into the suspension text, I agree that Foreign Affairs may be discharged from further consideration of the bill, so that it may proceed expeditiously to the House Floor.

This agreement is made with the understanding that it does not in any way diminish or alter the jurisdiction of the Committee on Foreign Affairs, or prejudice our jurisdictional prerogatives on this measure or similar legislation in the future.

Thank you for agreeing to place our exchange of letters into the *Record* during Floor consideration. I look forward to continuing to work together as this bill moves through the legislative process.

Sincerely,

A handwritten signature in black ink that reads "Michael T. McCaul".

MICHAEL T. McCAUL
Chairman

CC: Hon. Gregory Meeks, Ranking Member, Committee on Foreign Affairs
Hon. Maxine Waters, Ranking Member, Committee on Financial Services
Hon. Mike Johnson, Speaker of the House
Hon. Jason Smith, Parliamentarian

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER



United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

January 4, 2024

The Honorable Michael McCaul
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
2170 Rayburn Building
Washington, DC 20515

Dear Chairman McCaul:

Thank you for agreeing to be discharged from further consideration of H.R. 6370, the *OFAC Licensure for Investigators Act*, so that it may proceed expeditiously to the House Floor. I agree that by foregoing consideration of H.R. 6370 at this time, you do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that you will be appropriately consulted and involved on this or similar legislation as it moves forward.

As discussed, I will seek to place a copy of our exchange of letters on this bill in the *Congressional Record* during floor consideration thereof.

Sincerely,

Patrick McHenry
Chairman
Committee on Financial Services

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