

118TH CONGRESS  
2D SESSION

# S. 3603

To establish an information-sharing pilot program to combat the illicit use of crypto assets.

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IN THE SENATE OF THE UNITED STATES

JANUARY 17, 2024

Mr. HAGERTY (for himself and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To establish an information-sharing pilot program to combat the illicit use of crypto assets.

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 “Preventing Illicit Fi-  
5 nance Through Partnership Act of 2024”.

6 **SEC. 2. INFORMATION-SHARING PILOT PROGRAM TO COM-**  
7 **BAT ILLICIT USE OF CRYPTO ASSETS.**

8 (a) DEFINITIONS.—In this section:

9 (1) COVERED AGENCY.—The term “covered  
10 agency” means—

1 (A) the Department of Justice, including  
2 the Federal Bureau of Investigation and the  
3 Drug Enforcement Administration;

4 (B) the Financial Crimes Enforcement  
5 Network; and

6 (C) the Department of Homeland Security.

7 (2) CRYPTO ASSET.—The term “crypto asset”  
8 means a natively electronic asset that—

9 (A) confers economic, proprietary, or ac-  
10 cess rights or powers; and

11 (B) is recorded using cryptographically se-  
12 cured distributed ledger technology, or any  
13 similar analogue.

14 (3) DESIGNATED PRIVATE SECTOR ENTITY.—  
15 The term “designated private sector entity” means  
16 a private sector entity designated under subsection  
17 (c).

18 (4) DIRECTOR.—The term “Director” means  
19 the Director of the Financial Crimes Enforcement  
20 Network.

21 (5) ILLICIT FINANCE VIOLATION.—The term  
22 “illicit finance violation” means the illicit use of  
23 crypto assets.

24 (6) ILLICIT USE.—The term “illicit use” in-  
25 cludes fraud, darknet marketplace transactions,

1 money laundering, the purchase and sale of illicit  
2 goods, sanctions evasion, theft of funds, funding of  
3 illegal activities, transactions related to child sexual  
4 abuse material, and any other financial transaction  
5 involving the proceeds of specified unlawful activity  
6 (as defined in section 1956(c) of title 18, United  
7 States Code).

8 (7) MONEY SERVICES BUSINESS.—The term  
9 “money services business” has the meaning given  
10 the term in section 1010.100 of title 31, Code of  
11 Federal Regulations, or any successor regulation.

12 (8) SECRETARY.—The term “Secretary” means  
13 the Secretary of Homeland Security.

14 (b) ESTABLISHMENT OF PROGRAM.—The Attorney  
15 General shall establish a pilot program under which cov-  
16 ered agencies and designated private sector entities se-  
17 curely share information about potential illicit finance vio-  
18 lations and threats and emerging risks relating to illicit  
19 finance violations.

20 (c) DESIGNATION OF PRIVATE SECTOR ENTITIES.—

21 (1) REQUIRED DESIGNATION.—

22 (A) INITIAL DESIGNATION.—Not later  
23 than 90 days after the date of enactment of  
24 this Act, the Attorney General, in consultation  
25 with the Director and the Secretary, shall des-

1            designate 10 private sector entities that are money  
2            services businesses and 10 private sector enti-  
3            ties from the crypto asset industry to partici-  
4            pate in the pilot program established under  
5            subsection (b).

6            (B) BIENNIAL REVIEW.—Not less fre-  
7            quently than once every 6 months, the Attorney  
8            General, in consultation with the Director and  
9            the Secretary, shall review and, as appropriate,  
10           replace the private sector entities designated  
11           under this paragraph.

12           (2) OPTIONAL DESIGNATION.—In addition to  
13           the 20 private sector entities designated under para-  
14           graph (1), the Attorney General, in consultation  
15           with the Director and the Secretary, may designate  
16           1 or more information sharing and analysis centers  
17           to participate in the pilot program.

18           (d) INFORMATION SHARING WITH PRIVATE SECTOR  
19           ENTITIES.—A covered agency that initiates an investiga-  
20           tion into a potential illicit finance violation, or identifies  
21           a threat or emerging risk relating to illicit finance viola-  
22           tions, may share with any designated private sector entity  
23           such information about the investigation, threat, or  
24           emerging risk as the covered agency determines appro-  
25           priate.

1           (e) USE OF INFORMATION BY PRIVATE SECTOR EN-  
2 TITIES.—Information received by a designated private sec-  
3 tor entity under this section may not be used for any pur-  
4 pose other than identifying and reporting on activities that  
5 may involve illicit finance violations or threats and emerg-  
6 ing risks relating to illicit finance violations.

7           (f) MEANS OF SHARING INFORMATION.—The covered  
8 agencies and designated private sector entities may share  
9 information about potential illicit finance violations, or  
10 threats and emerging risks relating to illicit finance viola-  
11 tions, with each other—

12                 (1) through a portal established by the Attorney  
13           General or a similar mechanism determined appro-  
14           priate by the Attorney General;

15                 (2) through secure email; or

16                 (3) at virtual monthly meetings, which shall be  
17           facilitated by the Attorney General.

18           (g) LIMITATION ON LIABILITY.—A designated pri-  
19 vate sector entity that transmits, receives, or shares infor-  
20 mation for the purposes of identifying and reporting ac-  
21 tivities that may constitute illicit finance violations, or  
22 threats and emerging risks relating to illicit finance viola-  
23 tions, shall not be liable to any person under any law or  
24 regulation of the United States, any constitution, law, or  
25 regulation of any State or political subdivision thereof, or

1 under any contract or other legally enforceable agreement  
2 (including any arbitration agreement), for such disclosure  
3 or for any failure to provide notice of such disclosure to  
4 the person who is the subject of such disclosure, or any  
5 other person identified in the disclosure.

6 (h) VOLUNTARY PARTICIPATION.—Participation by a  
7 designated private sector entity in the pilot program estab-  
8 lished under subsection (b), including sharing of informa-  
9 tion regarding potential illicit finance violations or threats  
10 and emerging risks relating to illicit finance violations,  
11 shall be voluntary.

12 (i) SUNSET.—The pilot program established under  
13 subsection (b) shall terminate on the date that is 5 years  
14 after the date of enactment of this Act.

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