

## GENERAL LEAVE

Mr. MALINOWSKI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 8520.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MALINOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 8520, the Countering Untrusted Telecommunications Act.

Imagine the following: A senior official for a NATO ally of the United States transmits a vital national security matter to his country's embassy here in Washington, but before the call even reaches the embassy, it is intercepted by Chinese spyware, which transmits the call to Beijing. Before our officials even hear the top-secret message, CCP officials have captured and recorded the information.

Threats like this are very real and on the rise. Even here in the United States, intelligence and defense officials are concerned that telecommunications equipment made by the company Huawei could capture communications about our nuclear arsenal.

Around the world, the problem is worse. Many of our partners and allies have all of their major cell phone networks backed by unsafe equipment giving the PRC and its friends backdoor access to our private communications. Many countries, replete with this unsafe equipment, have mutual defense treaties with the United States.

The Countering Untrusted Telecommunications Act would be a crucial tool to address these security issues.

First, it would require the State Department to ensure that the Department itself is not relying on unsafe equipment at our embassies around the world.

Second, it would require a comprehensive report on the telecommunications security of all countries with which the United States has a mutual defense treaty.

Third, it authorizes our State Department to provide diplomatic support for telecommunications projects and pushes our United States Trade and Development Agency to finance important projects in this area.

Finally, it requires mobile network operators listed on American stock exchanges to disclose whether they have Huawei, ZTE, or other unsafe equipment in their networks. Currently, many network operators fail to disclose this information despite existing sanctions against Huawei. This provision would be beneficial for our national security but also crucial for investors and shareholders in these companies.

I thank Representatives WILD and WAGNER for their important work on this bill, and I urge all of my colleagues to join me in supporting this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of this bill, and I yield myself such time as I may consume.

Mr. Speaker, the Countering Untrusted Telecommunications Abroad Act requires the State Department to conduct a report on the presence and risks posed by any Chinese telecommunications vendor like Huawei or ZTE in the networks of defense-allied countries.

It also requires the General Accountability Office, or GAO, to report on Chinese and Russian telecom suppliers serving U.S. embassies overseas.

Finally, it tasks the State Department with identifying telecom infrastructure projects that will strengthen U.S. national security, and with helping countries currently being serviced by Chinese vendors to build capacity for replacing those vendors.

I would hope by now that most U.S. officials understand the threats to U.S. national security posed by tech companies controlled by the Chinese Communist Party, like Huawei. But we must also ensure that our allies and partners are not duped by the seemingly low cost of telecom services provided by state-backed countries. While seemingly cheap, the real cost lies in giving the CCP control over all of your telecommunications data, which they will use to spread their malign influence globally.

So I support the bill strongly, and I yield back the balance of my time.

Mr. MALINOWSKI. Mr. Speaker, I am prepared to close, and I yield myself the balance of my time.

Mr. Speaker, H.R. 8520, the Countering Untrusted Telecommunications Act is an important initiative in finding and addressing American vulnerabilities to cyber spying and espionage, particularly in our communications with partners and allies whose unsecure networks may provide backdoor access to these increasing threats.

I, once again, thank Representatives WILD and WAGNER for their tremendous work in advancing this bill and their commitment to protecting our national security from cyber and security threats. I hope my colleagues will join us in supporting this bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. MALINOWSKI) that the House suspend the rules and pass the bill, H.R. 8520, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROSENDALE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

RUSSIA CRYPTOCURRENCY  
TRANSPARENCY ACT

Mr. MALINOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7338) to require congressional notification prior to payments of Department of State rewards using cryptocurrencies, authorize the appointment of a Director of Digital Currency Security in the Office of Economic Sanctions Policy and Implementation of the Department of State, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7338

*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 "Russia Cryptocurrency Transparency Act".

## SEC. 2. FINDINGS.

Congress finds the following:

(1) On February 24, 2022, the Government of the Russian Federation, led by Vladimir Putin, launched an unprovoked, full-scale invasion of Ukraine.

(2) This unprovoked act of aggression violates Ukraine's right to independence, sovereignty, and territorial integrity, and constitutes an emergency in international relations.

(3) The invasion by the Government of the Russian Federation of Ukraine caused significant displacement in Ukraine and triggered a broader humanitarian crisis in Europe.

(4) On March 23, 2022, the Department of State released a statement assessing that the Russian Armed Forces committed war crimes by launching indiscriminate attacks on civilians and non-military infrastructure, including apartment buildings, schools, and hospitals, leaving thousands of innocent civilians killed or wounded.

(5) The United Nations Office for Coordination of Humanitarian Affairs has projected that, over the next three months, 12,000,000 people living in Ukraine will need humanitarian assistance, 6,700,000 people will be internally displaced, and 4,000,000 people will flee Ukraine.

(6) Rapid humanitarian assistance is necessary across sectors to address the needs of refugees and internally displaced persons from Ukraine.

(7) Cryptocurrency has been used as an effective cross-border payment tool to send millions to the Ukrainian Government, Ukrainian army, and Ukrainian refugees with limited access to financial services.

(8) In response to the war of aggression by the Government of the Russian Federation, the United States has imposed an array of sanctions, cutting off major Russian financial institutions from Western markets and freezing the assets of numerous Russian oligarchs.

(9) Given that regimes sanctioned by the United States have used cryptocurrencies to evade sanctions, there are increasing concerns that these digital assets may be used to circumvent the sanctions now imposed on Russia and Belarus by the United States and other foreign countries.

SEC. 3. CONGRESSIONAL NOTIFICATIONS FOR  
STATE DEPARTMENT  
CRYPTOCURRENCY REWARDS.

(a) CONGRESSIONAL NOTIFICATION.—Subsection (e) of section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708) is amended by adding at the end the following new paragraph:

“(7) The Secretary of State shall notify the appropriate congressional committees not later than 15 days before paying out a reward in cryptocurrency.”

(b) **REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report on the use of cryptocurrency as a part of the Department of State Rewards program that—

(1) explains why the Department of State made the determination to pay out rewards in cryptocurrency;

(2) lists each cryptocurrency payment already provided by the State Department;

(3) provides evidence as to why cryptocurrency payments would be more likely to induce whistleblowers to come forward with information than rewards paid out in United States dollars or other prizes;

(4) analyzes how the State Department's use of cryptocurrency could undermine the dollar's status as the global reserve currency; and

(5) examines if the State Department's use of cryptocurrency could provide bad actors with additional hard-to-trace funds that could be used for criminal or illicit purposes.

(c) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Committee on Foreign Affairs of the House of Representatives;

(2) the Committee on Foreign Relations of the Senate.

#### **SEC. 4. REPORT ON BLOCKCHAIN USAGE FOR UKRAINIAN HUMANITARIAN NEEDS.**

(a) **IN GENERAL.**—Not later than 30 days after the date of the enactment of this Act, the Secretary of State, in coordination with the Secretary of the Treasury and the Administrator of the United States Agency for International Development, shall submit to the appropriate congressional committees a report on the most effective avenues to promote economic development and provide humanitarian aid to Ukraine, including possible uses of cryptocurrencies or other technologies incorporating blockchains. Such report shall—

(1) review and analyze the advantages offered by cross-border transactions involving digital assets relative to other traditional avenues for cross-border humanitarian relief payments and the reasons for those advantages, including structural barriers which may impact the cost, efficiency, and reliability of traditional payment channels; and

(2) also review and analyze ways in which technologies incorporating blockchains can—

(A) assist in the care, support, or resettlement of refugees and internally displaced persons from Ukraine;

(B) address humanitarian access challenges and ensure the effective delivery of such assistance to persons from Ukraine;

(C) increase efficiency, accountability, and transparency in the administration of humanitarian aid provided by the United States to persons from Ukraine;

(D) prevent corruption through the use of “web3” technologies;

(E) improve access to capital; and

(F) bolster the efficiency and reliability of cross-border remittances.

(b) **FORM.**—The report required under subsection (a) shall be submitted in unclassified form and may include a classified annex.

(c) **APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

(2) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

#### **SEC. 5. EFFECTIVENESS AND ENFORCEMENT OF SANCTIONS.**

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that—

(1) on March 9, 2022, President Biden issued an Executive Order outlining a national policy to mitigate the risks, and harness the potential benefits of, digital assets and distributed ledger technology;

(2) the growing development and adoption of digital assets have created an urgent need for the United States to play a leading role in the global financial system and facilitate technological innovation;

(3) these developments have had significant implications that pose risks to the financial stability and national security interest of the United States, including issues relating to privacy and surveillance;

(1) the United States Government must—

(A) ensure the efficacy and enforcement of the United States' sanctions regime by preventing the misuse of digital assets, which can facilitate transactions by Russian persons subject to sanctions;

(B) mitigate national security liabilities and systemic financial risks posed by the misuse of digital assets by developing policy recommendations and addressing existing regulatory gaps; and

(C) maintain technological leadership to promote United States global competitiveness and play a leading role in the global governance of digital assets.

(b) **REPORT.**—

(1) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of State, shall submit a report to the appropriate congressional committees that provides an assessment on how digital currencies affect the effectiveness and enforcement of United States sanctions against the Russian Federation and actors subject to sanctions related to the Russian Federation's invasion of Ukraine.

(2) **MATTERS TO BE INCLUDED.**—The report under paragraph (1) shall—

(A) describe any efforts by the Russian Federation or persons subject to sanctions related to the Russian Federation's invasion of Ukraine to utilize digital assets to evade the sanctions regimes of the United States and its international allies and partners;

(B) describe any efforts by persons subject to sanctions related to the Russian Federation's invasion of Ukraine to use decentralized finance technology or other similar technology to effect transactions, including digital wallets, digital asset trading platforms, and digital asset exchanges;

(C) assess how the use or adoption of digital currencies could undermine the national security interests of the United States and impact the efficacy and enforcement of sanctions, , and the enforcement of anti-money laundering provisions;

(D) detail actions taken by the United States government to work with private sector actors to combat the evasion of sanctions imposed by the United States; and

(E) include recommendations for new legislative and regulatory measures needed to strengthen the United States Government's ability to prevent any states, state-sponsored actors, and non-state-sponsored actors from using digital currencies to evade sanctions imposed by the United States Government.

(c) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Committee on Foreign Affairs of the House of Representatives;

(2) the Committee on Financial Services of the House of Representatives;

(3) the Committee on Foreign Relations of the Senate; and

(4) the Committee on Banking, Housing, and Urban Affairs of the Senate.

(d) **REPORT FORM.**—The report required under subsection (b) shall be submitted in unclassified form with a classified annex, if necessary.

The **SPEAKER** pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. MALINOWSKI) and the gentleman from New Jersey (Mr. SMITH) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. MALINOWSKI).

#### **GENERAL LEAVE**

Mr. MALINOWSKI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 7338, as amended.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MALINOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 7338, the Russia Cryptocurrency Transparency Act introduced by the chairman and ranking member of the House Foreign Affairs Committee, Representatives MEEKS and MCCAUL. I also acknowledge Chairwoman WATERS of the Financial Services Committee, who has been deeply engaged on cryptocurrency issues for years and has shown such tremendous leadership on the topic.

Russia's illegal, immoral, and indefensible invasion of Ukraine has placed renewed focus on how the Putin regime evades sanctions and continues to fund itself.

One answer is cryptocurrency. Virtually unregulated globally, cryptocurrency technology has increasingly become a tool for people seeking to avoid financial sanctions. While there are legitimate and responsible companies that police their platforms and products, there are also products like cryptocurrency tumblers that have little or no value to society other than helping people evade sanctions and launder money.

At the same time, the people of Ukraine have demonstrated the potential value of cryptocurrency. Some refugees, for example, have found that it is a particularly useful way to conduct cross-border transactions, and the sale of nonfungible tokens has been used to support Ukraine and its people.

Balancing these tradeoffs is not easy, but Chairman MEEKS' bill, I believe, strikes the right balance. It will provide necessary transparency and information about these practices to ensure that our foreign policy is up to the challenge of adapting to this new technology.

I strongly support the measure, and I urge all of my colleagues to do the same.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of the Russia Cryptocurrency Transparency Act, H.R. 7338, and I yield myself such time as I may consume.

Mr. Speaker, this bipartisan legislation authored by Chairman MEEKS and Ranking Member MCCAUL would exercise oversight of the State Department's use of cryptocurrency as part of its rewards program, as well as measures to improve the efficacy and enforcement of U.S. sanctions against Russia.

Emerging technologies like blockchain, the foundation for many cryptocurrencies, offer immense opportunities. For example, people around the world sent aid using cryptocurrency to those fleeing Russia's full-scale barbaric invasion of Ukraine.

However, this bill will ensure that the U.S. is taking the necessary steps to prevent these emerging technologies from undermining sanctions, including those currently aimed at bankrupting Putin's war machine.

While the rise of digital assets like cryptocurrencies promise innovative financial opportunity, digital assets could be ripe for abuse as Russia seeks to evade the unprecedented sanctions the United States and Europe have imposed for Vladimir Putin's brutal war of choice on Ukraine.

□ 1530

This legislation will provide greater oversight in the State Department's rewards program, helping ensure that these hard-to-trace funds are not falling into the hands of bad actors. It also will help the State Department develop sanctions enforcement mechanisms to prevent sanctions evasion through the use of cryptocurrencies.

Given the tremendous need for humanitarian support as Europe faces the largest influx of refugees since World War II, this legislation also asks the State Department to assess how crypto can be used to support humanitarian assistance to Ukrainians fleeing the war.

Mr. Speaker, I urge support for the bill, and I yield back the balance of my time.

Mr. MALINOWSKI. In closing, Mr. Speaker, I just want to thank, again, my colleagues, Chairman MEEKS and Ranking Member MCCAUL, for introducing this legislation.

Mr. Speaker, I hope my colleagues will join me in supporting it, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. MALINOWSKI) that the House suspend the rules and pass the bill, H.R. 7338, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROSENDALE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

#### COUNTERING ASSAD'S PROLIFERATION TRAFFICKING AND GARNERING OF NARCOTICS ACT

Mr. MALINOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6265) to require a strategy by the United States Government to disrupt and dismantle the Captagon trade and narcotics networks of Bashar al-Assad in Syria.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6265

*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 "Countering Assad's Proliferation Trafficking And Garnering Of Narcotics Act" or the "CAPTAGON Act".

#### SEC. 2. INTERAGENCY STRATEGY TO DISRUPT AND DISMANTLE NARCOTICS PRODUCTION AND TRAFFICKING AND AFFILIATED NETWORKS LINKED TO THE REGIME OF BASHAR AL-ASSAD IN SYRIA.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Captagon trade linked to the regime of Bashar al-Assad in Syria is a transnational security threat; and

(2) the United States should develop and implement an interagency strategy to deny, degrade, and dismantle Assad-linked narcotics production and trafficking networks.

(b) REPORT AND STRATEGY REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, the Secretary of State, the Secretary of the Treasury, the Administrator of the Drug Enforcement Administration, the Director of National Intelligence, and the heads of other appropriate Federal agencies shall provide to the appropriate congressional committees a written strategy to disrupt and dismantle narcotics production and trafficking and affiliated networks linked to the regime of Bashar al-Assad in Syria. Such strategy shall include each of the following:

(1) A strategy to target, disrupt, and degrade networks that directly or indirectly support the narcotics infrastructure of the Assad regime, particularly through diplomatic and intelligence support to law enforcement investigations and to build counter-narcotics capacity to partner countries through assistance and training to law enforcement services in countries, other than Syria, that are receiving or transiting large quantities of Captagon.

(2) Information relating to the use of statutory authorities, including the Caesar Syria Civilian Protection Act of 2019 (22 U.S.C. 8791 note), the Foreign Narcotics Kingpin Designation Act (popularly referred to as the "Kingpin Act"), section 489 of the Foreign Assistance Act (relating to the international narcotics control strategy report), and associated actions to target individuals and entities directly or indirectly associated with the narcotics infrastructure of the Assad regime.

(3) Information relating to the use of global diplomatic engagements associated with

the economic pressure campaign against the Assad regime to target its narcotics infrastructure.

(4) A strategy for leveraging multilateral institutions and cooperation with international partners to disrupt the narcotics infrastructure of the Assad regime.

(5) A strategy for mobilizing a public communications campaign to increase awareness of the extent of the connection of the Assad regime to illicit narcotics trade.

(6) A description of the countries receiving or transiting large shipments of Captagon, and an assessment of the counter-narcotics capacity of such countries to interdict or disrupt the smuggling of Captagon, including an assessment of current United States assistance and training programs to build such capacity in such countries.

(c) FORM OF REPORT.—The report required under subsection (b) shall be submitted in an unclassified form, but may contain a classified annex.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—In this section, the term "appropriate congressional committees" means—

(1) the Committee on Armed Services, the Committee on the Judiciary, the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Armed Services, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. MALINOWSKI) and the gentleman from New Jersey (Mr. SMITH) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. MALINOWSKI).

#### GENERAL LEAVE

Mr. MALINOWSKI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 6265.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MALINOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 6265, the CAPTAGON Act.

I would like to first thank Representatives FRENCH HILL and BRENDAN BOYLE, as well as Members from both sides of the aisle for reintroducing this bipartisan legislation and addressing an important issue which continues to fuel the Assad regime's coffers and campaign of brutality.

Despite condemnation from the United States and the international community, Bashar al-Assad's military has continued its relentless assault on the Syrian people committing reprehensible crimes against humanity upon them.

Even as American and European sanctions restrict this regime's ability to transact and deal internationally, its campaign of brutality continues to seek sources of revenue around the world.