

January 9, 2023, of the following Member on the part of the House to the Board of Visitors to the United States Naval Academy:

Mr. RUPPERSBERGER, Maryland

COMMUNICATION FROM THE DEMOCRATIC LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable HAKEEM JEFFRIES, Democratic Leader:

MAY 18, 2023.

Hon. KEVIN MCCARTHY,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to section 9803(d)(1)(C) and (E) of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Pub. L. 117-263), I am pleased to appoint the following Member to the Commission on Reform and Modernization of the Department of State:

The Honorable Mike Quigley of Illinois.

Thank you for your attention to this appointment.

Sincerely,

HAKEEM JEFFRIES,
Democratic Leader.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 13 minutes p.m.), the House stood in recess.

□ 1604

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. EZELL) at 4 o'clock and 4 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

PREVENTING THE FINANCING OF ILLEGAL SYNTHETIC DRUGS ACT

Mr. LUETKEMEYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1076) to require the Comptroller General of the United States to carry out a study on the trafficking into the United States of synthetic drugs, and related illicit finance, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1076

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

SECTION 1. SHORT TITLE.

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

SEC. 2. FINDINGS.

The Congress finds the following:

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

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

(3) In October 2022, F. Michael McDaniel, director of the Houston High Intensity Drug Trafficking Areas (HITDA) program testified in Congress that one kilogram of fentanyl can produce one million counterfeit pills containing one milligram of fentanyl, saying, “Currently in Houston, Texas, you can buy a kilogram of fentanyl for an average price of \$25,000 to \$30,000. This same kilogram of fentanyl in Culiacán (Mexico) could be purchased at an average price of \$13,500. Currently, the price of a fentanyl pill in Houston ranges from \$6 to \$65. Therefore, an illicit investment of \$30,000 or less could result in a return of \$6 to \$32.5 million.”.

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

SEC. 3. GAO STUDY ON SYNTHETIC DRUGS TRAFFICKING.

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

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

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

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

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

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

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

(6) the use of social media applications like Snap Chat, Discord, and Facebook and payment applications like CashApp to facilitate

financial transactions for synthetic drug trafficking, especially among young people; and

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

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

(B) intergovernmental collaboration;

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

(D) identified gaps or resource deficiencies in combating the trafficking of synthetic drugs and related illicit finance in the coordination and collaboration activities described in subparagraphs (A) through (C).

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. LUETKEMEYER) and the gentlewoman from Colorado (Ms. PETTERSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. LUETKEMEYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on this bill.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 1076, the Preventing the Financing of Illegal Synthetic Drugs Act.

As we are all painfully aware, fentanyl is a poison that is afflicting every community across America. This poison is a synthetic opioid 50 times more potent than heroin and 100 times more potent than morphine. Just 2 milligrams, equal to 10 to 15 grains of table salt, is enough to be lethal.

That is why I am grateful that Members like Congresswoman DE LA CRUZ have hit the ground running on commonsense legislation like H.R. 1076 to sever the lifeblood that keeps the fentanyl business model going, which is its financing.

As we heard in the Financial Services Committee hearing titled, “Follow the Money,” “Financing is essential to support and sustain the command and control, personnel, arms, communications, logistics, and operations of organized crime groups. For this reason, following the money trail and depriving criminals of illicit financial flows can disrupt and disable these networks.”

I recognize there are many challenges to attacking the fentanyl crisis, including our unsecured border, but from a Financial Services Committee perspective, we can only address what

is in our jurisdiction, and that is its financing.

Congresswoman DE LA CRUZ's study will help inform Congress on the next best step to disrupt and dismantle synthetic drug trafficking and its financing.

Mr. Speaker, I urge all my colleagues to support this bill, and I reserve the balance of my time.

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

Mr. Speaker, I rise in support of H.R. 1076, the Preventing the Financing of Illegal Synthetic Drugs Act sponsored by the gentlewoman from Texas (Ms. DE LA CRUZ), a bill that I am pleased to cosponsor and co-lead.

Thanks to collaboration on both sides of the aisle, this bill offers a well-written study focused on the financing and proceeds of the illicit synthetic drug trade that is victimizing communities across the country. By following the money behind the multibillion-dollar drug trade, we are able to understand the traffickers' operations and improve our ability to disrupt their activities.

The effects of this trafficking have been staggering. Deaths involving synthetic opioids, such as illicit fentanyl and methamphetamine, increased by 22 percent in 2021, resulting in the deaths of more than 100,000 of our family members and neighbors. In 2022, there were also nearly 200,000 nonfatal opioid overdoses in the U.S. In 2021, overdose death rates increased 44 percent for Black people and 39 percent for American Indian and Alaska Natives, showing troubling trends and widening disparities among population groups.

Combating the opioid epidemic is one of the reasons why I ran for Congress. Like too many Americans, my family has been impacted by the opioid crisis. My mom's addiction began with the overprescription of opioids, which led to heroin and ultimately fentanyl when it started to take over the drug supply chain in 2016. Unfortunately, my mom's story is not unique in Jefferson County, in Colorado, or in this country.

The opioid epidemic is now more lethal than ever as we continue to see drugs become more and more potent and easier to traffic. It is going to take an all-hands-on-deck approach to stop the flow of fentanyl and other illicit synthetic opioids in this country. Ensuring that we understand the financial networks of drug trafficking organizations is a critical tool that we need to protect American lives.

This bill will not solve all the issues related to the opioid crisis. We need to do more to increase access to substance use disorder treatment and recovery services, and we need to do more to help support the workforce shortages. We need to crack down on social media companies that are permitting the sale of illegal drugs to young Americans, and we need to ensure that the financial system has the tools to quickly

identify bad actors and break up their drug trafficking rings.

As a member of the House Financial Services Committee, I advocate for leveraging every financial tool at our disposal to pursue the traffickers of illicit fentanyl and other drugs. In this role, I also advocate for every individual family and community that has suffered or will suffer from misguided antidrug policies' physical, social, and economic damage to have the support that they need.

Thus, I urge my fellow Members to vote for this needed trafficking study bill, but I also urge them to consider that we must take the time to learn the lessons of past epidemics and take further steps to eliminate harmful and counterproductive policies.

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

Mr. LUETKEMEYER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. DE LA CRUZ), the sponsor of this bill, a new and dynamic member of our committee.

Ms. DE LA CRUZ. Mr. Speaker, I thank the gentleman from Missouri for yielding and for his broader leadership of the Financial Services Subcommittee on National Security, Illicit Finance, and International Financial Institutions.

Mr. Speaker, according to the CDC, over 107,000 Americans died from drug overdoses or drug poisonings in the 12-month period ending January 2022. Sixty-seven percent of those deaths involved synthetic opioids like fentanyl, which is up to 50 times stronger than heroin and 100 times stronger than morphine.

Last year, Hidalgo County, which sits in my district, made news with massive fentanyl seizures at the U.S.-Mexico border. These include \$1.5 million in January 2022 and \$330,000 in June. These numbers are staggering. According to law enforcement, an illicit investment of \$30,000 or less could yield \$6 to \$32 million.

To end this crisis, we must tackle the financing. As the adage goes, "Follow the money." This money fuels the operations of the cartels that are poisoning our families.

My bill, the Preventing the Financing of Illegal Synthetic Drugs Act, will help law enforcement pinpoint the business model of the traffickers, how they move and hide their profits, and what the U.S. can do to stop fentanyl money laundering.

To end this carnage that is taking so many lives in south Texas and all across America, we must track down the funds that fuel it.

□ 1615

Ms. PETTERSEN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Mrs. BEATTY).

Mrs. BEATTY. Mr. Speaker, I thank the gentlewoman for yielding me time, and I thank my colleagues on the other

side of the aisle for their bipartisan support.

Mr. Speaker, I am pleased to rise in support of the Preventing the Financing of Illegal Synthetic Drugs Act, H.R. 1076.

Mr. Speaker, as the ranking member of the Financial Services Subcommittee of National Security, Illicit Finance, and International Financial Institutions, our jurisdiction tends to focus abroad, but make no mistake, the epidemic of synthetic drug overdoses impacts each and every congressional district and every community throughout our country. For example, Ohio ranks third in the overall number of drug overdose deaths, which we are not proud of.

According to the most recent study by the Centers for Disease Control and Prevention, over 107,000 people in the United States have died from drug overdoses or drug poisoning in the past 12 months.

Mr. Speaker, 5,000 of those individuals were right there in my district.

Let me also share, as my colleague and our chair of the committee has stated to us, under the bill, the GAO would examine these illicit financial flows from and to foreign nations, including China, and will review the business of the trafficking of synthetic drugs and related illicit finance, such as participation in transnational criminal organizations and behaviors.

If we are going to stop the flow of illicit drugs like fentanyl and meth and the tragic loss of lives they bring with them, then we need to know more about the who, the where, and the how of the illegal trafficking trade.

Mr. Speaker, that is why I am honored to support what I call a common-sense, bipartisan piece of legislation. Again, I thank the chair, our ranking member, the bill's sponsors, and, certainly, our Financial Services Committee, and I urge my colleagues to join in support.

Mr. LUETKEMEYER. Mr. Speaker, I have no further speakers, and I reserve the balance of my time.

Ms. PETTERSEN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I thank Representative DE LA CRUZ for her collaboration on this bill. Together, we can better understand the financing of drug trafficking and how the traffickers move and hide their proceeds. Doing so will help Congress and other policymakers to better disrupt their operations, protecting innocent Americans from the deadly harm that they cause in communities across the country.

Mr. Speaker, I again urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I think the bill's sponsor, Ms. DE LA CRUZ, and cosponsor Mrs. BEATTY, have both articulated very well the need for this bill. It is a good idea.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. LUETKEMEYER) that the House suspend the rules and pass the bill, H.R. 1076, 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. LUETKEMEYER. 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.

CHINA FINANCIAL THREAT MITIGATION ACT OF 2023

Mr. LUETKEMEYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1156) to require the Secretary of the Treasury to conduct a study and report on the exposure of the United States to the financial sector of the People's Republic of China, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1156

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 “China Financial Threat Mitigation Act of 2023”.

SEC. 2. CHINA FINANCIAL THREAT MITIGATION.

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Securities and Exchange Commission, the Chairman of the Commodity Futures Trading Commission, and the Secretary of State, shall conduct a study and issue a report on the exposure of the United States to the financial sector of the People's Republic of China that includes—

(1) an assessment of the effects of reforms to the financial sector of the People's Republic of China on the United States and global financial systems;

(2) a description of the policies the United States Government is adopting to protect the interests of the United States while the financial sector of the People's Republic of China undergoes such reforms;

(3) a description and analysis of any risks to the financial stability of the United States and the global economy emanating from the People's Republic of China; and

(4) recommendations for additional actions the United States Government, including United States representatives at relevant international organizations, should take to strengthen international cooperation to monitor and mitigate such financial stability risks and protect United States interests.

(b) TRANSMISSION OF REPORT.—The Secretary of the Treasury shall transmit the report required under subsection (a) not later than one year after the date of enactment of this Act to the Committees on Financial Services and Foreign Affairs of the House of Representatives, the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate, and to the United States representatives at relevant international organizations, as appropriate.

(c) CLASSIFICATION OF REPORT.—The report required under subsection (a) shall be unclassified, but may contain a classified annex.

(d) PUBLICATION OF REPORT.—The Secretary of the Treasury shall publish the report required under subsection (a) (other than any classified annex) on the website of the Department of the Treasury not later than one year after the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. LUETKEMEYER) and the gentlewoman from Colorado (Ms. PETERSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. LUETKEMEYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 1156, the China Financial Threat Mitigation Act. This is a measure that originated in the Committee on Financial Services, where it was first introduced by our former colleague, Anthony Gonzalez of Ohio. I am pleased to see his cosponsor, Ms. SPANBERGER, continue to champion the measure in this Congress.

The China Financial Threat Mitigation Act is based on the notion that China's financial system is so opaque that it may hide risks for the global economy of which we aren't aware. The bill requires the Treasury Secretary to study and report on these risks so we can take effective countermeasures.

As we all know, China has been cracking down on Western firms and executives due to fears that the private sector's information gathering and due diligence efforts pose a threat to the Chinese Communist Party. The CCP clearly views transparency as inconsistent with its self-interest. This should alarm us all.

Due to the state-owned nature of many Chinese financial institutions, there are already fewer market signals that can alert us to problems in time, and the central government may be on the hook for liabilities of unknown scope.

The Financial Stability Oversight Council has touched on the possibility of risks in the country, including those arising from China's housing sector, but these have been broad-brush efforts. We need to dig deeper, and that is what the reporting in this legislation will require.

Mr. Speaker, I urge my colleagues to support this measure, and I reserve the balance of my time.

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

Mr. Speaker, I rise in support of H.R. 1156, the China Financial Threat Mitigation Act of 2023, sponsored by Representative SPANBERGER of Virginia.

It is crucial that we closely monitor any risk to our financial system and economy that may arise from the financial sector and economy of the People's Republic of China.

Our financial regulators have already raised some concerns about such risks. For example, the Financial Stability Oversight Council highlighted in their 2022 report that “difficulties in the real estate sector could cause strains across China's financial system, including at banks, nonbanks, corporate bond markets, and local government finances.”

However, further analysis is needed, as China's size and interconnectedness with the global economy may pose risks to the United States if those kinds of risks spill over.

H.R. 1156 would require a comprehensive report by our Treasury Department looking at these different types of financial risks, in consultation with relevant agencies, to better inform Congress and provide actionable recommendations to our representatives at various international bodies, such as the Financial Stability Board, in order to mitigate these risks.

Ranking Member WATERS was pleased to work with Chair MCHENRY last Congress to advance this bipartisan bill through the House. I join her in hoping that we can pass this bill again with the support of the Senate so this work can begin quickly.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. WILLIAMS), our baseball coach who has distinguished himself not only here in Congress but also on the baseball field.

Mr. WILLIAMS of Texas. Mr. Speaker, I thank the chairman for that great introduction.

Mr. Speaker, China is attempting to weaken our country in any way possible. The interference and aggression coming from the Chinese Communist Party pose a significant threat to our families, businesses, and country. The CCP's track record of abusing our financial system is jeopardizing our national and economic security.

H.R. 1156, the China Financial Threat Mitigation Act, requires the Department of the Treasury to report on the risks coming from the Chinese financial sector, along with recommendations on strengthening international cooperation to monitor and mitigate these risks.

Our top priority should always be to protect our Western values and promote the greatest country in the world and the interests of the United States.

My bill is a critical step in holding the CCP accountable for their continued abuse of the financial sector.

Mr. Speaker, I urge all of my colleagues to support this important piece of legislation. In God We Trust.