

Preventing Illicit Finance Through Partnership Act

S. 3603

118th Congress



U.S. Senators Bill Hagerty (R-TN) and Cynthia Lummis (R-WY) have introduced the *Preventing Illicit Finance Through Partnership Act of 2024* to combat illicit finance in the crypto space by fostering communication between federal law enforcement agencies and private companies. The bill will help law enforcement agencies leverage their existing authorities to better identify illicit activities without stifling innovation.

Overview

The legislation establishes a pilot program for federal agencies and the private sector to share information related to illicit finance activity. The program would be chaired by the Attorney General and composed of 20 voluntarily participating money services businesses and cryptocurrency companies. When certain federal agencies investigate a potential illicit finance violation, threat, or risk, the agency may securely share information about the matter with a private sector entity participating in the program. The private sector entity may then use the information to identify or report potential illicit finance activity. The program provides private companies a channel to alert federal agencies to any suspicious money transfers and sanctions evasion.

Key Section Highlights

Information-Sharing Pilot Program to Combat Illicit Use of Crypto Assets

- Requires the Attorney General (AG) to establish a pilot program under which covered agencies and designated private sector entities share information about potential illicit finance violations.
- Establishes that program members will be 10 money services businesses and 10 private sector entities from the crypto asset industry. One or more information-sharing and analysis centers may also participate. The AG will determine the members in consultation with the Director of the Financial Crimes Enforcement Network and the Secretary of Homeland Security.

Information Sharing with Private Sector Entities

- Establishes that a covered agency that initiates an investigation into a potential illicit finance violation, or identifies a threat or emerging risk relating to such a violation, may share information about the matter with any designated private sector entity.

Use of Information by Private Sector Entities

- States that information received by a designated private sector entity may not be used for any purpose other than identifying and reporting on potential illicit finance violations.

Limitation of Liability

- Limits liability for a designated private sector entity that transmits, receives, or shares information to identify and report potential illicit finance violations.

Voluntary Participation

- States that private sector participation in the program and information-sharing are voluntary.

Sunset

- Terminates the program after five years.