

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—119th Cong., 1st Sess.

S. 2950

To require the Secretary of State and relevant executive branch agencies to address international scam compounds defrauding people in the United States, to hold significant transnational criminal organizations accountable, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. CORNYN (for himself and Mrs.
SHAHEEN)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Scam Compound Ac-
5 countability and Mobilization Act”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that—

8 (1) transnational cyber-enabled fraud, particu-
9 larly perpetrated from scam compounds in Southeast
10 Asia, is a growing threat to citizens of the United

1 States, national security, and economic interests
2 globally, with the Federal Bureau of Investigation
3 reporting \$13,700,000,000 in losses in the United
4 States due to cyber-enabled fraud in 2024, including
5 schemes commonly perpetrated by significant
6 transnational criminal organizations operating scam
7 compounds;

8 (2) significant transnational criminal organiza-
9 tions responsible for a large proportion of these
10 scam compounds are affiliated with the People's Re-
11 public of China (PRC), actively spread PRC propa-
12 ganda, promote unification with Taiwan, and have
13 brokered projects for the Belt and Road Initiative;

14 (3) significant transnational criminal organiza-
15 tions have lured hundreds of thousands of human
16 trafficking victims from over 40 countries to scam
17 compounds, primarily in Burma, Cambodia, and
18 Laos, for purposes of forced criminality;

19 (4) significant transnational criminal organiza-
20 tions are expanding scam compounds internationally
21 including in Africa, the Middle East, South Asia,
22 and the Pacific Islands, and related money laun-
23 dering, human trafficking and recruitment fraud
24 have occurred in Europe, North America, and South
25 America;

1 (5) the United States should redouble efforts to
2 hold the perpetrators and enablers of scam com-
3 pound operations accountable, including those in-
4 volved in related money laundering, human traf-
5 ficking, and recruitment fraud, by employing tools,
6 such as targeted financial sanctions, visa restric-
7 tions, asset seizures, and forfeiture;

8 (6) to effectively address cyber-enabled fraud
9 originating from scam compounds internationally,
10 the United States Government should work with
11 partner governments, multilateral institutions, civil
12 society experts, and private sector stakeholders to
13 improve information sharing, strengthen preventa-
14 tive measures, raise public awareness, and increase
15 coordination on law enforcement investigations and
16 regulatory actions; and

17 (7) survivors of human trafficking, including
18 forced criminality, require victim-centered support to
19 ensure they are not punished for offenses committed
20 under duress.

21 **SEC. 3. DEFINITIONS.**

22 (a) IN GENERAL.—In this Act:

23 (1) APPROPRIATE CONGRESSIONAL COMMIT-
24 TEES.—The term “appropriate congressional com-
25 mittees” means—

1 (A) the Committee on Foreign Relations of
2 the Senate;

3 (B) the Committee on the Judiciary of the
4 Senate;

5 (C) the Committee on Banking, Housing,
6 and Urban Affairs of the Senate;

7 (D) the Select Committee on Intelligence
8 of the Senate;

9 (E) the Committee on Foreign Affairs of
10 the House of Representatives;

11 (F) the Committee on the Judiciary of the
12 House of Representatives;

13 (G) the Committee on Financial Services
14 of the House of Representatives; and

15 (H) the Permanent Select Committee on
16 Intelligence of the House of Representatives.

17 (2) CYBER-ENABLED FRAUD.—The term
18 “cyber-enabled fraud” means the use of the internet
19 or other technology to commit fraudulent activity,
20 including illicitly obtaining money, property, data,
21 identification documents, or authentication features,
22 or creating counterfeit goods or services.

23 (3) ENABLING COUNTRY.—The term “enabling
24 country” means a country where—

1 (A) government authorities actively or im-
2 plicitly permit, enable, or perpetuate scam com-
3 pound operations; or

4 (B) ineffective law enforcement or a failure
5 to enact legislation intended to prevent facili-
6 tating services from reaching scam compounds
7 or significant transnational criminal organiza-
8 tions enables scam compound operators to ob-
9 tain facilitating services.

10 (4) FORCED CRIMINALITY.—The term “forced
11 criminality” means a form of forced labor for the
12 purpose of causing the victim to engage in criminal
13 activity, which may include cyber-enabled fraud.

14 (5) FORCED LABOR.—The term “forced labor”
15 has the meaning given the term severe form of traf-
16 ficking in persons in section 103(11)(B) of the Traf-
17 ficking Victims Protection Act of 2000(22 U.S.C.
18 7102(11)(B)).

19 (6) RELEVANT FOREIGN ASSISTANCE PRO-
20 GRAMS AND DIPLOMATIC EFFORTS.—The term “rel-
21 evant foreign assistance programs and diplomatic ef-
22 forts”—

23 (A) means unclassified voluntary support
24 programs funded directly by the United States
25 Government that provide assistance to one or

1 more foreign countries for the purpose of com-
2 bating scam compound operations and related
3 significant transnational criminal organizations;
4 and

5 (B) excludes intelligence activities, includ-
6 ing activities authorized by the President and
7 reported to Congress in accordance with section
8 503 of the National Security Act of 1947 (50
9 U.S.C. 3093).

10 (7) HUMAN TRAFFICKING.—The term “human
11 trafficking” has the meaning given the term severe
12 form of trafficking in persons in section 103(11) of
13 the Trafficking Victims Protection Act of 2000(22
14 U.S.C. 7102(11)).

15 (8) HUMAN TRAFFICKING VICTIM.—The terms
16 “human trafficking victim” and “victim of human
17 trafficking” mean a person subject to an act or
18 practice described in section 103(11) of the Traf-
19 ficking Victims Protection Act of 2000(22 U.S.C.
20 7102(11)).

21 (9) IMPACTED COUNTRY.—The term “impacted
22 country” means a country that is a significant—

23 (A) transit location for victims of human
24 trafficking to scam compounds;

1 (B) source location for victims of human
2 trafficking for scam compounds; or

3 (C) target of cyber-enabled fraud origi-
4 nating from scam compounds internationally.

5 (10) SCAM COMPOUND.—The term “scam com-
6 pound” means a physical installation where a signifi-
7 cant transnational criminal organization carries out
8 cyber-enabled fraud operations, frequently using vic-
9 tims of human trafficking and forced criminality.

10 (11) SIGNIFICANT TRANSNATIONAL CRIMINAL
11 ORGANIZATION.—The term “significant
12 transnational criminal organization” means a group
13 of persons that—

14 (A) includes one or more foreign person;

15 (B) engages in or facilitates an ongoing
16 pattern of serious criminal activity involving the
17 jurisdictions of at least two foreign states or
18 one foreign state and the United States; and

19 (C) threatens the national security, foreign
20 policy, or economy of the United States.

21 (12) STRATEGY.—The term “Strategy” means
22 the strategy to counter scam compounds and hold
23 significant transnational criminal organizations ac-
24 countable required under section 4.

1 (b) RULE OF CONSTRUCTION.—The definitions under
2 this section are exclusive to this Act and may not be con-
3 strued to affect any other provision of United States law.

4 **SEC. 4. STRATEGY TO COUNTER SCAM COMPOUNDS AND**
5 **HOLD SIGNIFICANT TRANSNATIONAL CRIMI-**
6 **NAL ORGANIZATIONS ACCOUNTABLE.**

7 (a) IN GENERAL.—Not later than 180 days after the
8 date of enactment of this Act, the Secretary of State, in
9 consultation with the Attorney General, the Secretary of
10 the Treasury, and the heads of other Federal departments
11 and agencies, shall submit to the appropriate congres-
12 sional committees a comprehensive strategy that—

13 (1) is designed to counter scam compounds and
14 hold significant transnational criminal organizations
15 accountable;

16 (2) is global in scope; and

17 (3) may prioritize efforts focused on Southeast
18 Asian countries where scam compound operations
19 are most prevalent.

20 (b) CONTENTS.—The Strategy shall—

21 (1) articulate a comprehensive problem state-
22 ment identifying the structural vulnerabilities ex-
23 ploited by significant transnational criminal organi-
24 zations operating scam compounds;

1 (2) develop a comprehensive list of enabling
2 countries and impacted countries;

3 (3) identify all active executive branch relevant
4 foreign assistance programs and diplomatic efforts
5 underway to address scam compounds, significant
6 transnational criminal organizations connected to
7 scam compounds, and related money laundering,
8 human trafficking and forced criminality, including
9 efforts with enabling countries and impacted coun-
10 tries;

11 (4) identify relevant foreign assistance re-
12 sources needed to fully implement the Strategy and
13 any obstacles to the response of the Federal Govern-
14 ment to scam compounds, including coordination
15 with partner governments, to address the human
16 trafficking, including forced criminality, and money
17 laundering that facilitates and sustains scam com-
18 pound operations;

19 (5) include objectives, activities, and perform-
20 ance indicators regarding the response of the Fed-
21 eral government to scam compounds, including—

22 (A) the prevention of recruitment fraud
23 and human trafficking, including by—

24 (i) engaging private sector entities op-
25 erating internet platforms or other services

1 that can be abused or exploited to per-
2 petrate recruitment fraud, human traf-
3 ficking or cyber-enabled fraud;

4 (ii) raising awareness among at-risk
5 populations to identify common recruit-
6 ment fraud strategies and improve due
7 diligence and self-protection measures;

8 (iii) urging governments to monitor
9 and enforce laws against fraudulent and
10 unlawful recruitment practices; and

11 (iv) sharing information and building
12 awareness among foreign counterparts, in-
13 cluding law enforcement and border offi-
14 cials, to identify potential human traf-
15 ficking victims;

16 (B) the support for survivors of human
17 trafficking and forced criminality under the di-
18 rection of the Ambassador at Large to Monitor
19 and Combat Trafficking in Persons;

20 (C) the enhancement of coordination and
21 strengthening the capabilities of partner gov-
22 ernments and law enforcement agencies;

23 (D) the use of sanctions, visa restrictions,
24 and other accountability measures against ena-
25 bling countries, significant transnational crimi-

1 nal organizations, and related third-party
2 facilitators of scam compound operations;

3 (E) the support of partner governments in
4 countering corruption and money laundering re-
5 lated to scam compound operations; and

6 (F) the investigation of PRC connections
7 to significant transnational criminal organiza-
8 tions operating scam compounds.

9 (c) LIMITATION.—Nothing in the Strategy may af-
10 fect, apply to, or create obligations related to past,
11 present, or future criminal or civil law enforcement or in-
12 telligence activities of the United States or the law en-
13 forcement activities of any State or subdivision of a State.

14 **SEC. 5. ESTABLISHING A TASK FORCE TO IMPLEMENT THE**
15 **STRATEGY.**

16 (a) IN GENERAL.—Not later than 90 days after sub-
17 mitting the Strategy pursuant to section 4(a), the Sec-
18 retary of State, in consultation with the Attorney General,
19 the Secretary of the Treasury, and the heads of other Fed-
20 eral departments and agencies, shall establish an inter-
21 agency task force (referred to in this section as the “Task
22 Force”)—

23 (1) to coordinate the implementation of the
24 Strategy;

1 (2) to conduct regular monitoring and analysis
2 of scam compound operations internationally;

3 (3) to track and evaluate progress toward the
4 objectives, activities, and performance indicators of
5 the Strategy described in section 4(b)(5); and

6 (4) to update the Strategy, in consultation with
7 the appropriate congressional committees, as needed.

8 (b) ANNUAL REVIEWS AND REPORTS.—Not later
9 than one year after the establishment of the Task Force,
10 and not less frequently than annually thereafter, the Sec-
11 retary of State and the Attorney General, in consultation
12 with the Secretary of the Treasury and the heads of other
13 Federal departments and agencies, shall—

14 (1) conduct a status review of the Strategy and
15 the overall state of scam compounds operated by sig-
16 nificant transnational criminal organizations;

17 (2) include a list of enabling countries and im-
18 pacted countries; and

19 (3) submit the results of such review in a public
20 report to the appropriate congressional committees,
21 which may contain a classified annex.

22 (c) TASK FORCE TERMINATION.—The Task Force
23 shall terminate on the date that is six years after the date
24 on which it is established.

1 **SEC. 6. STRENGTHENING TOOLS TO DISMANTLE SCAM**
2 **COMPOUNDS AND HOLD SIGNIFICANT**
3 **TRANSNATIONAL CRIMINAL ORGANIZATIONS**
4 **ACCOUNTABLE.**

5 (a) IMPOSITION OF SANCTIONS WITH RESPECT TO
6 SIGNIFICANT ACTORS IN SCAM COMPOUND OPER-
7 ATIONS.—Beginning on and after the date that is 180
8 days after the date of the enactment of this Act, the Presi-
9 dent may impose the sanctions described in subsection (b)
10 with respect to any foreign person that the President de-
11 termines—

12 (1) has materially assisted in, or provided sig-
13 nificant financial or technological support to, or pro-
14 vided significant goods or services in support of, the
15 activities of international scam compounds or ena-
16 bling services, including recruitment fraud, human
17 trafficking (including forced criminality), cyber-en-
18 abled fraud, or money-laundering; or

19 (2) owned, controlled, directed, or acted for, or
20 on behalf of, a significant scam compound operation
21 or enabling service, including recruitment fraud,
22 human trafficking (including forced criminality),
23 cyber-enabled fraud, or money-laundering.

24 (b) SANCTIONS DESCRIBED.—The President may ex-
25 ercise of all powers granted to the President under the
26 International Emergency Economic Powers Act (50

1 U.S.C. 1701 et seq.) to the extent necessary to block and
2 prohibit all transactions in all property and interests in
3 property of a foreign person described in subsection (a),
4 including, to the extent appropriate, the vessel of which
5 the person is the beneficial owner, if such property or in-
6 terests in property are in the United States, come within
7 the United States, or are or come within the possession
8 or control of a United States person.

9 (c) IMPLEMENTATION; PENALTIES.—

10 (1) IMPLEMENTATION.—The President may ex-
11 ercise all authorities provided under sections 203
12 and 205 of the International Emergency Economic
13 Powers Act (50 U.S.C. 1702 and 1704) to carry out
14 this section.

15 (2) PENALTIES.—The penalties set forth in
16 subsections (b) and (c) of section 206 of the Inter-
17 national Emergency Economic Powers Act (50
18 U.S.C. 1705) shall apply to any person who violates,
19 attempts to violate, conspires to violate, or causes a
20 violation of any prohibition of this section, or an
21 order or regulation prescribed under this section, to
22 the same extent that such penalties apply to a per-
23 son that commits an unlawful act described in sec-
24 tion 206(a) of such Act (50 U.S.C. 1705(a)).

1 (d) INTELLIGENCE AND LAW ENFORCEMENT ACTIVI-
2 TIES.—Sanctions authorized under this section shall not
3 apply with respect to—

4 (1) any activity subject to the reporting require-
5 ments under title V of the National Security Act of
6 1947 (50 U.S.C. 3091 et seq.); or

7 (2) any authorized intelligence or law enforce-
8 ment activities of the United States.

9 (e) SEMIANNUAL REPORT.—Not later than 180 days
10 after the date of the enactment of this Act, and every 180
11 days thereafter, the President shall submit a report to the
12 appropriate congressional committees that—

13 (1) identifies all foreign persons the President
14 has sanctioned pursuant to the authorities under
15 this section; and

16 (2) the dates on which sanctions were imposed.

17 (f) EXCEPTION RELATING TO IMPORTATION OF
18 GOODS.—

19 (1) IN GENERAL.—A requirement to block and
20 prohibit all transactions in all property and interests
21 in property pursuant to subsection (b) shall not in-
22 clude the authority or a requirement to impose sanc-
23 tions on the importation of goods.

24 (2) DEFINED TERM.—In this subsection, the
25 term “good” means any article, natural or manmade

1 substance, material, supply, or manufactured prod-
2 uct, including inspection and test equipment, and ex-
3 cluding technical data.

4 (g) WAIVER.—

5 (1) IN GENERAL.—The President may waive
6 the application of sanctions under this section with
7 respect to a foreign person or a foreign financial in-
8 stitution if the President determines that such waiv-
9 er is in the national interest of the United States.

10 (2) REPORT.—Not later than 15 days before
11 granting a waiver pursuant to paragraph (1), the
12 President shall submit a report to the appropriate
13 congressional committees that includes—

14 (A) the name of the individual or institu-
15 tion that is benefitting from such waiver; and

16 (B) if the beneficiary is an individual, a
17 detailed justification explaining how the waiver
18 serves the national security interests of the
19 United States.

20 **SEC. 7. REDRESS TO VICTIMS OF INTERNATIONAL SCAM**
21 **COMPOUND OPERATIONS.**

22 Not later than 90 days after the date of the enact-
23 ment of this Act, the Attorney General, in consultation
24 with the Secretary of State, the Secretary of the Treasury,
25 and the heads of other appropriate Federal departments

1 and agencies, shall submit to the appropriate congres-
2 sional committees a report containing an assessment of
3 existing forfeiture law that—

4 (1) outlines challenges or limitations to pro-
5 viding financial redress to victims of international
6 scam compound operations;

7 (2) offers recommendations to amend existing
8 forfeiture law to enable the Department of Justice
9 to use assets forfeited as a result of law enforcement
10 activities targeting international scam compound op-
11 erations to provide financial redress to United States
12 citizen victims of scam operations; and

13 (3) offers recommendations for the administra-
14 tion of such a redress mechanism.

15 **SEC. 8. SUNSET.**

16 This Act shall cease to be effective beginning on the
17 date that is 7 years after the date of the enactment of
18 this Act.