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116TH CONGRESS
1ST SESSION

S. 1883

To improve the prohibitions on money laundering, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 18, 2019

Mr. GRASSLEY (for himself, Mrs. FEINSTEIN, Mr. CORNYN, Mr. WHITEHOUSE, and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

JULY 23, 2019

Reported by Mr. GRAHAM, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To improve the prohibitions on money laundering, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) ~~SHORT TITLE.~~—This Act may be cited as the
5 “~~Combating Money Laundering, Terrorist Financing, and~~
6 ~~Counterfeiting Act of 2019~~”.

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

- See. 1: Short title; table of contents.
- See. 2: Transportation or transshipment of blank checks in bearer form.
- See. 3: Bulk cash smuggling.
- See. 4: Section 1957 violations involving commingled funds and aggregated transactions.
- See. 5: Charging money laundering as a course of conduct.
- See. 6: Illegal money services businesses.
- See. 7: Concealment money laundering.
- See. 8: Freezing bank accounts of persons arrested for offenses involving the movement of money across international borders.
- See. 9: Prohibiting money laundering through hawalas, other informal value transfer systems, and closely related transactions.
- See. 10: Technical amendment to restore wiretap authority for certain money laundering and counterfeiting offenses.
- See. 11: Making the international money laundering statute apply to tax evasion.
- See. 12: Conduct in aid of counterfeiting.
- See. 13: Administrative subpoenas for money laundering cases.
- See. 14: Obtaining foreign bank records from banks with United States correspondent accounts.
- See. 15: Danger pay allowance.
- See. 16: Clarification of Secret Service authority to investigate money laundering.
- See. 17: Prohibition on concealment of ownership of account.
- See. 18: Prohibition on concealment of the source of assets in monetary transactions.
- See. 19: Rule of construction.

3 **SEC. 2. TRANSPORTATION OR TRANSHIPMENT OF BLANK**
4 **CHECKS IN BEARER FORM.**

5 Section 5316 of title 31, United States Code, is
6 amended by adding at the end the following:

7 “(e) MONETARY INSTRUMENTS WITH AMOUNT LEFT
8 BLANK.—For purposes of this section, a monetary instru-
9 ment in bearer form that has the amount left blank, such
10 that the amount could be filled in by the bearer, shall be
11 considered to have a value of more than \$10,000 if the
12 instrument was drawn on an account that contained, or
13 was intended to contain more than \$10,000 at the time—

1 “(1) the instrument was transported; or

2 “(2) the instrument was negotiated or was in-
3 tended to be negotiated.”.

4 **SEC. 3. BULK CASH SMUGGLING.**

5 Section 5332(b) of title 31, United States Code, is
6 amended—

7 (1) in paragraph (1), by striking “5 years” and
8 inserting “10 years”;

9 (2) by redesignating paragraphs (2), (3), and
10 (4), as paragraphs (3), (4), and (5), respectively;

11 (3) by inserting after paragraph (1) the fol-
12 lowing:

13 “(2) FINE.—

14 “(A) IN GENERAL.—Whoever violates this
15 section shall be fined under title 18.

16 “(B) ENHANCED FINE FOR AGGRAVATED
17 CASES.—Whoever violates this section while vio-
18 lating another law of the United States, other
19 than section 5316 or 5324(e) of this title, or as
20 a part of a pattern of any unlawful activity, in-
21 cluding a violation of section 5316 or 5324(e)
22 of this title, shall be fined double the amount
23 provided in subsection (b)(3) or (e)(3) of sec-
24 tion 3571 of title 18.”; and

1 (4) in paragraph (5), as redesignated, by strik-
 2 ing “paragraph (2)” and inserting “paragraph (3)”.

3 **SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMUN-**
 4 **GLED FUNDS AND AGGREGATED TRANS-**
 5 **ACTIONS.**

6 Section 1957 of title 18, United States Code, is
 7 amended by adding at the end the following:

8 “(g) In a prosecution for an offense under this sec-
 9 tion, the Government may satisfy the \$10,000 monetary
 10 transaction value requirement under subsection (a) by
 11 showing that—

12 “(1) the monetary transaction involved the
 13 transfer, withdrawal, encumbrance, or other disposi-
 14 tion of more than \$10,000 from an account in which
 15 more than \$10,000 in proceeds of specified unlawful
 16 activity was commingled with other funds; or

17 “(2) the defendant conducted a series of mone-
 18 tary transactions in amounts of not more than
 19 \$10,000 that—

20 “(A) exceeded \$10,000 in the aggregate;
 21 and

22 “(B) were closely related to each other as
 23 demonstrated by factors such as—

24 “(i) the time period between the
 25 transactions;

1 “(ii) the identity of the parties in-
2 volved;

3 “(iii) the nature or purpose of the
4 transactions; and

5 “(iv) the manner in which the trans-
6 actions were conducted.”.

7 **SEC. 5. CHARGING MONEY LAUNDERING AS A COURSE OF**
8 **CONDUCT.**

9 Section 1956 of title 18, United States Code, is
10 amended—

11 (1) in subsection (h), by striking “or section
12 1957” and inserting “, section 1957, or section
13 1960”; and

14 (2) by adding at the end the following:

15 “(j) **MULTIPLE VIOLATIONS.**—Multiple violations of
16 this section that are part of the same scheme or con-
17 tinuing course of conduct may be charged, at the election
18 of the Government, in a single count in an indictment or
19 information.”.

20 **SEC. 6. ILLEGAL MONEY SERVICES BUSINESSES.**

21 (a) **IN GENERAL.**—Section 1960 of title 18, United
22 States Code, is amended by striking subsections (a) and
23 (b) and inserting the following:

1 “(a) OFFENSE.—Whoever knowingly conducts, con-
 2 trols, manages, supervises, directs, or owns all or part of
 3 a covered money services business that—

4 “(1) is operated without an appropriate license
 5 in a State where such operation is punishable as a
 6 misdemeanor or a felony under State law, whether
 7 or not the person knows that the operation is re-
 8 quired to be licensed or that the operation is so pun-
 9 ishable;

10 “(2) fails to comply with the money services
 11 business registration requirements under section
 12 5330 of title 31, or regulations prescribed under
 13 that section, whether or not the person knows that
 14 the operation is required to comply with those reg-
 15 istration requirements; or

16 “(3) otherwise engages in a transaction involv-
 17 ing funds that the person knows have been derived
 18 from a criminal offense or are intended to be used
 19 to promote or support unlawful activity;
 20 shall be punished as provided in subsection (b).

21 “(b) CRIMINAL PENALTY.—Any person who vio-
 22 lates—

23 “(1) subsection (a) shall be fined in accordance
 24 with this title, imprisoned for not more than 5 years,
 25 or both; and

1 ~~“(2) subsection (a) by conducting, controlling,~~
2 ~~managing, supervising, directing, or owning all or~~
3 ~~part of a covered money services business that en-~~
4 ~~gaged in activity as a covered money services busi-~~
5 ~~ness involving more than \$1,000,000 during a 12-~~
6 ~~month period, or by engaging in a transaction or~~
7 ~~transactions involving more than \$1,000,000 during~~
8 ~~a 12-month period, shall be fined double the amount~~
9 ~~provided in subsection (b)(3) or (c)(3) (as applica-~~
10 ~~ble) of section 3571, imprisoned for not more than~~
11 ~~10 years, or both.~~

12 ~~“(c) DEFINITIONS.—In this section—~~

13 ~~“(1) the term ‘covered money services business’~~
14 ~~means a money services business that—~~

15 ~~“(A) operates on behalf of the public; and~~

16 ~~“(B) affects interstate or foreign commerce~~
17 ~~in any manner or degree;~~

18 ~~“(2) the term ‘money services business’—~~

19 ~~“(A) has the meaning given the term in~~
20 ~~section 5330 of title 31 and any regulations~~
21 ~~prescribed under that section; and~~

22 ~~“(B) includes a person that engages in the~~
23 ~~transfer, transportation, or exchange of cur-~~
24 ~~rency, funds, or value that substitutes for cur-~~

rency by any and all means, even when not performed for profit; and

“(3) the term ‘State’ means any State of the United States, the District of Columbia, the Northern Mariana Islands, and any commonwealth, territory, or possession of the United States.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) SECTION 1960 OF TITLE 18, UNITED STATES CODE.—

(A) SECTION HEADING.—Section 1960 of title 18, United States Code, is amended in the section heading—

(i) by striking “**unlicensed**” and inserting “**illegal**”; and

(ii) by striking “**transmitting**” and inserting “**services**”.

(B) TABLE OF SECTIONS.—The table of sections for chapter 95 of title 18, United States Code, is amended by striking the item relating to section 1960 and inserting the following:

“1960: Prohibition of illegal money services businesses.”.

(2) SECTION 5330 OF TITLE 31, UNITED STATES CODE.—

(A) HEADINGS.—Section 5330 of title 31, United States Code, is amended—

(i) in the section heading, by striking
~~“transmitting”~~ and inserting ~~“serv-~~
~~ices”~~;

(ii) in subsection (c)—

(I) in the subsection heading, by
striking ~~“TRANSMITTING”~~ and insert-
ing ~~“SERVICES”~~;

(II) in paragraph (1), in the
paragraph heading, by striking
~~“TRANSMITTING”~~ and inserting
~~“SERVICES”~~; and

(III) in paragraph (2), in the
paragraph heading, by striking
~~“TRANSMITTING”~~ and inserting
~~“SERVICES”~~; and

(iii) in subsection (d)(1), in the para-
graph heading, by striking ~~“TRANSMIT-~~
~~TING”~~ and inserting ~~“SERVICES”~~.

(B) TEXT.—Section 5330 of title 31,
United States Code, is amended—

(i) by striking ~~“money transmitting~~
~~business”~~ each place that term appears
and inserting ~~“money services business”~~;
and

1 (ii) in subsection (a)(3), by striking
2 “money transmitting businesses” and in-
3 serting “a money services business”.

4 (C) TABLE OF SECTIONS.—The table of
5 sections for subchapter H of chapter 53 of title
6 31, United States Code, is amended by striking
7 the item relating to section 5330 and inserting
8 the following:

“5330. Registration of money services businesses.”.

9 **SEC. 7. CONCEALMENT MONEY LAUNDERING.**

10 Section 1956(a) of title 18, United States Code, is
11 amended—

12 (1) in paragraph (1)(B), by striking “knowing
13 that” and all that follows through “Federal law,”
14 and inserting the following:

15 “(B) knowing that the transaction—

16 “(i) conceals or disguises, or is intended to
17 conceal or disguise, the nature, source, location,
18 ownership, or control of the proceeds of some
19 form of unlawful activity; or

20 “(ii) avoids, or is intended to avoid, a
21 transaction reporting requirement under State
22 or Federal law,”; and

23 (2) in paragraph (2)(B), by striking “knowing
24 that” and all that follows through “Federal law,”
25 and inserting the following:

1 “(B) knowing that—

2 “(i) the monetary instrument or funds in-
3 volved in the transportation, transmission, or
4 transfer represent the proceeds of some form of
5 unlawful activity; and

6 “(ii) the transportation, transmission, or
7 transfer—

8 “(I) conceals or disguises, or is in-
9 tended to conceal or disguise, the nature,
10 source, location, ownership, or control of
11 the proceeds of some form of unlawful ac-
12 tivity; or

13 “(II) avoids, or is intended to avoid, a
14 transaction reporting requirement under
15 State or Federal law.”.

16 **SEC. 8. FREEZING BANK ACCOUNTS OF PERSONS AR-**
17 **RESTED FOR OFFENSES INVOLVING THE**
18 **MOVEMENT OF MONEY ACROSS INTER-**
19 **NATIONAL BORDERS.**

20 Section 981(b) of title 18, United States Code, is
21 amended by adding at the end the following:

22 “(5)(A) If a person is arrested or charged in connec-
23 tion with an offense described in subparagraph (C) involv-
24 ing the movement of funds into or out of the United
25 States, the Attorney General may apply to any Federal

1 judge or magistrate judge in the district in which the ar-
2 rest is made or the charges are filed for an ex parte order
3 restraining any account held by the person arrested or
4 charged for not more than 30 days; except that such 30-
5 day time period may be extended for good cause shown
6 at a hearing conducted in the manner provided in Rule
7 43(c) of the Federal Rules of Civil Procedure. The court
8 may receive and consider evidence and information sub-
9 mitted by the Government that would be inadmissible
10 under the Federal Rules of Evidence.

11 “(B) The application for the restraining order re-
12 ferred to in subparagraph (A) shall—

13 “(i) identify the offense for which the person
14 has been arrested or charged;

15 “(ii) identify the location and description of the
16 accounts to be restrained; and

17 “(iii) state that the restraining order is needed
18 to prevent the removal of the funds in the account
19 by the person arrested or charged, or by other per-
20 sons associated with that person, during the time
21 needed by the Government to conduct such inves-
22 tigation as may be necessary to establish whether
23 there is probable cause to believe that the funds in
24 the accounts are subject to forfeiture in connection
25 with the commission of any criminal offense.

1 ~~“(C) A restraining order may be issued under sub-~~
 2 ~~paragraph (A) if a person is arrested or charged with any~~
 3 ~~offense for which forfeiture is authorized under—~~

4 ~~“(i) this title;~~

5 ~~“(ii) title 31; or~~

6 ~~“(iii) the Controlled Substances Act (21 U.S.C.~~
 7 ~~801 et seq.).~~

8 ~~“(D) For purposes of this paragraph—~~

9 ~~“(i) the term ‘account’ includes any safe deposit~~
 10 ~~box and any account (as defined in paragraphs (1)~~
 11 ~~and (2) of section 5318A(e) of title 31) at any fi-~~
 12 ~~nancial institution; and~~

13 ~~“(ii) the term ‘account held by the person ar-~~
 14 ~~rested or charged’ includes an account held in the~~
 15 ~~name of that person; and any account over which~~
 16 ~~that person has effective control as a signatory or~~
 17 ~~otherwise.~~

18 ~~“(E) Restraint under this paragraph shall not be~~
 19 ~~deemed a seizure for purposes of section 983(a).~~

20 ~~“(F) A restraining order issued under this paragraph~~
 21 ~~may be executed in any district in which the subject ac-~~
 22 ~~count is found; or transmitted to the central authority of~~
 23 ~~any foreign State for service in accordance with any treaty~~
 24 ~~or other international agreement.”.~~

1 **SEC. 9. PROHIBITING MONEY LAUNDERING THROUGH**
 2 **HAWALAS, OTHER INFORMAL VALUE TRANS-**
 3 **FER SYSTEMS, AND CLOSELY RELATED**
 4 **TRANSACTIONS.**

5 The matter following section 1956(a)(1)(B)(ii) of
 6 title 18, United States Code, is amended by striking “For
 7 purposes of this paragraph, a financial transaction” and
 8 inserting “For purposes of this paragraph and section
 9 1957, a financial transaction or a monetary transaction;
 10 as applicable.”.

11 **SEC. 10. TECHNICAL AMENDMENT TO RESTORE WIRETAP**
 12 **AUTHORITY FOR CERTAIN MONEY LAUN-**
 13 **DERING AND COUNTERFEITING OFFENSES.**

14 (a) CURRENCY REPORTING OFFENSES.—Section
 15 2516(1)(g) of title 18, United States Code, is amended
 16 by striking “or section 5324 of title 31, United States
 17 Code (relating to structuring transactions to evade report-
 18 ing requirement prohibited)” and inserting “or section
 19 5324, 5331, or 5332 of that title (relating to evasion of
 20 Federal transaction reporting requirements)”.

21 (b) MONEY LAUNDERING.—Section 2516(1)(c) of
 22 title 18, United States Code, is amended by inserting “sec-
 23 tion 1960 (relating to illegal money services businesses),”
 24 before “section 659”.

1 ~~(e) COUNTERFEITING.—Section 2516(1)(d) of title~~
 2 18, United States Code, is amended by striking “or 473”
 3 and inserting “473, 474, or 474A”.

4 **SEC. 11. MAKING THE INTERNATIONAL MONEY LAUN-**
 5 **DERING STATUTE APPLY TO TAX EVASION.**

6 Section 1956(a)(2)(A) of title 18, United States
 7 Code, is amended—

8 (1) by inserting “(i)” before “with the intent to
 9 promote”; and

10 (2) by adding at the end the following:

11 “(ii) with the intent to engage in conduct
 12 constituting a violation of section 7201 or 7206
 13 of the Internal Revenue Code of 1986; or”.

14 **SEC. 12. CONDUCT IN AID OF COUNTERFEITING.**

15 ~~(a) IN GENERAL.—Section 474(a) of title 18, United~~
 16 States Code, is amended by inserting after the paragraph
 17 beginning “Whoever has in his control, custody, or posses-
 18 sion any plate” the following:

19 ~~“Whoever, with intent to defraud, has custody, con-~~
 20 ~~trol, or possession of any material, tool, machinery, or~~
 21 ~~other equipment that can be used to make, alter, forge,~~
 22 ~~or counterfeit any obligation or other security of the~~
 23 ~~United States or any part of such obligation or security,~~
 24 ~~except under the authority of the Secretary of the Treas-~~
 25 ~~ury; or”.~~

1 (b) FOREIGN OBLIGATIONS AND SECURITIES.—Sec-
 2 tion 481 of title 18, United States Code, is amended by
 3 inserting after the paragraph beginning “Whoever, with
 4 intent to defraud” the following:

5 “Whoever, with intent to defraud, has custody, con-
 6 trol, or possession of any material, tool, machinery, or
 7 other equipment that can be used to make, alter, forge,
 8 or counterfeit any obligation or other security of any for-
 9 eign government, bank, or corporation; or”.

10 (c) COUNTERFEIT ACTS.—Section 470 of title 18,
 11 United States Code, is amended by striking “or 474” and
 12 inserting “474, or 474A”.

13 (d) STRENGTHENING DETERRENTS TO COUNTER-
 14 FEITING.—Section 474A of title 18, United States Code,
 15 is amended—

16 (1) in subsection (a), by inserting “, custody,”
 17 after “control”;

18 (2) in subsection (b)—

19 (A) by inserting “, custody,” after “con-
 20 trol”; and

21 (B) by striking “any essentially identical
 22 feature or device adapted to the making of any
 23 such obligation or security,” and inserting “any
 24 material or other thing made after or in simili-
 25 tude of any such deterrent,”; and

1 (3) by adding at the end the following:

2 “(d) Whoever has in his control, custody, or posses-
3 sion any obligation or security of the United States or any
4 foreign government from which the ink or other distinctive
5 counterfeit deterrent has been completely or partially re-
6 moved, except under the authority of the Secretary of the
7 Treasury, is guilty of a class B felony.”.

8 **SEC. 13. ADMINISTRATIVE SUBPOENAS FOR MONEY LAUN-**
9 **DERING CASES.**

10 Section 3486(a) of title 18, United States Code, is
11 amended—

12 (1) in paragraph (1)(A)—

13 (A) in the matter preceding clause (i), by
14 striking “of” and inserting “relating to”;

15 (B) in clause (ii), by striking “or”;

16 (C) in clause (iii)—

17 (i) by striking “section 3056” and in-
18 serting “section 3056(a)”; and

19 (ii) by striking “the Treasury,” and
20 inserting “Homeland Security, or”; and

21 (D) by inserting after clause (iii) the fol-
22 lowing:

23 “(iv) an offense under section 1956,
24 1957, or 1960 of this title, or section
25 5313, 5316, 5324, 5331, or 5332 of title

31, or an offense against a foreign nation
 constituting specified unlawful activity
 under section 1956 of this title, or a criminal or civil forfeiture based upon an offense enumerated in this subparagraph or for which enforcement could be brought under section 2467 of title 28; the Attorney General, the Secretary of Homeland Security, or the Secretary of the Treasury,”; and

(2) in paragraph (6)(B)—

(A) in clause (iii), by striking “or” at the end;

(B) in clause (iv), by striking the period and inserting “; or”; and

(C) by adding at the end following:

“(v) dissipation, destruction, removal, transfer, damage, encumbrance, or other unavailability of property that may become subject to forfeiture or an enforcement action under section 2467 of title 28.”.

**SEC. 14. OBTAINING FOREIGN BANK RECORDS FROM
 BANKS WITH UNITED STATES CORRESPONDENT ACCOUNTS.**

(a) GRAND JURY AND TRIAL SUBPOENAS.—Section 5318(k) of title 31, United States Code, is amended—

1 ~~(1)~~ in paragraph ~~(1)~~—

2 ~~(A)~~ by redesignating subparagraph ~~(B)~~ as
3 subparagraph ~~(C)~~; and

4 ~~(B)~~ by inserting after subparagraph ~~(A)~~
5 the following:

6 “~~(B)~~ COVERED FINANCIAL INSTITUTION.—

7 The term ‘covered financial institution’ means
8 an institution referred to in subsection ~~(j)~~(1).”;
9 and

10 ~~(2)~~ by striking paragraph ~~(3)~~ and inserting the
11 following:

12 “~~(3)~~ FOREIGN BANK RECORDS.—

13 “~~(A)~~ SUBPOENA OF RECORDS.—

14 “(i) IN GENERAL.—Notwithstanding
15 subsection ~~(b)~~, the Secretary of the Treas-
16 ury or the Attorney General may issue a
17 subpoena to any foreign bank that main-
18 tains a correspondent account in the
19 United States and request any records re-
20 lating to the correspondent account or any
21 account at the foreign bank, including
22 records maintained outside of the United
23 States, that are the subject of any—

1 “(I) investigation of a violation of
2 a criminal law of the United States;
3 or

4 “(H) civil forfeiture action.

5 “(ii) PRODUCTION OF RECORDS.—The
6 foreign bank on which a subpoena de-
7 scribed in clause (i) is served shall produce
8 all requested records and authenticate all
9 requested records with testimony in the
10 manner described in—

11 “(I) rule 902(12) of the Federal
12 Rules of Evidence; or

13 “(H) section 3505 of title 18.

14 “(iii) ISSUANCE AND SERVICE OF SUB-
15 POENA.—A subpoena described in clause
16 (i)—

17 “(I) shall designate—

18 “(aa) a return date; and

19 “(bb) the judicial district in
20 which the related investigation is
21 proceeding; and

22 “(H) may be served—

23 “(aa) in person;

24 “(bb) by mail or fax in the
25 United States if the foreign bank

1 has a representative in the
2 United States; or

3 ~~“(cc) in a foreign country~~
4 ~~under any mutual legal assist-~~
5 ~~ance treaty, multilateral agree-~~
6 ~~ment, or other request for inter-~~
7 ~~national legal or law enforcement~~
8 ~~assistance.~~

9 ~~“(iv) RELIEF FROM SUBPOENA.—~~

10 ~~“(I) IN GENERAL.—At any time~~
11 ~~before the return date of the subpoena~~
12 ~~described in clause (i), the foreign~~
13 ~~bank on which the subpoena is served~~
14 ~~may petition the district court of the~~
15 ~~United States for the judicial district~~
16 ~~in which the related investigation is~~
17 ~~proceeding, as designated in the sub-~~
18 ~~poena, to modify or quash—~~

19 ~~“(aa) the subpoena; or~~

20 ~~“(bb) the prohibition against~~
21 ~~disclosure described in subpara-~~
22 ~~graph (C).~~

23 ~~“(II) CONFLICT WITH FOREIGN~~
24 ~~SECRECY OR CONFIDENTIALITY.—An~~
25 ~~assertion that compliance with the~~

1 subpoena would conflict with a provi-
2 sion of foreign secrecy or confiden-
3 tiality law shall not be a basis for
4 quashing or modifying the subpoena.

5 “(B) ACCEPTANCE OF SERVICE.—

6 “(i) MAINTAINING RECORDS IN THE
7 UNITED STATES.—Any covered financial
8 institution that maintains a correspondent
9 account in the United States for a foreign
10 bank shall maintain records in the United
11 States identifying—

12 “(I) the owners of such foreign
13 bank; and

14 “(II) the name and address of a
15 person who—

16 “(aa) resides in the United
17 States; and

18 “(bb) is authorized to accept
19 service of legal process for
20 records covered under this sub-
21 section.

22 “(ii) LAW ENFORCEMENT REQUEST.—

23 Upon receipt of a written request from a
24 Federal law enforcement officer for infor-
25 mation required to be maintained under

1 this paragraph, a covered financial institu-
 2 tion shall provide the information to the
 3 requesting officer not later than 7 days
 4 after receipt of the request.

5 “(C) NONDISCLOSURE OF SUBPOENA.—

6 “(i) IN GENERAL.—No officer, direc-
 7 tor, partner, employee, or shareholder of,
 8 or agent or attorney for, a foreign bank on
 9 which a subpoena is served under this
 10 paragraph shall, directly or indirectly, no-
 11 tify any account holder involved or any
 12 person named in the subpoena issued
 13 under subparagraph (A)(i) and served on
 14 such an institution about the existence or
 15 contents of such subpoena.

16 “(ii) DAMAGES.—Upon application by
 17 the Attorney General for a violation of this
 18 subparagraph, a foreign bank on which a
 19 subpoena is served under this paragraph
 20 shall be liable to the United States Govern-
 21 ment for a civil penalty in an amount
 22 equal to—

23 “(I) double the amount of the
 24 suspected criminal proceeds sent
 25 through the correspondent account of

the foreign bank in the related investigation; or

~~“(H) if no such proceeds can be identified, \$250,000.~~

~~“(D) ENFORCEMENT.—~~

~~“(i) IN GENERAL.—If a foreign bank fails to obey a subpoena issued under subparagraph (A)(i), the Attorney General may invoke the aid of the district court of the United States for the judicial district in which the investigation or related proceeding is occurring to compel compliance with the subpoena.~~

~~“(ii) COURT ORDERS AND CONTEMPT OF COURT.—The court may—~~

~~“(I) issue an order requiring the foreign bank to appear before the Secretary of the Treasury or the Attorney General to produce—~~

~~“(aa) certified records, in accordance with—~~

~~“(AA) rule 902(12) of the Federal Rules of Evidence; or~~

1 “(BB) section 3505 of
2 title 18; or

3 “(bb) testimony regarding
4 the production of such records;
5 and

6 “(H) punish any failure to obey
7 an order issued under subclause (I) as
8 contempt of court.

9 “(iii) SERVICE OF PROCESS.—All
10 process in a case under this subparagraph
11 shall be served on the foreign bank in the
12 same manner as described in subparagraph
13 (A)(iii).

14 “(E) TERMINATION OF CORRESPONDENT
15 RELATIONSHIP.—

16 “(i) TERMINATION UPON RECEIPT OF
17 NOTICE.—A covered financial institution
18 shall terminate any correspondent relation-
19 ship with a foreign bank not later than 10
20 business days after the date on which the
21 covered financial institution receives writ-
22 ten notice from the Secretary of the Treas-
23 ury or the Attorney General if, after con-
24 sultation with the other, the Secretary of
25 the Treasury or Attorney General, as ap-

1 pliable, determines that the foreign bank
2 has failed—

3 “(I) to comply with a subpoena
4 issued under subparagraph (A)(i); or

5 “(II) to prevail in proceedings be-
6 fore—

7 “(aa) the appropriate dis-
8 trict court of the United States
9 after challenging such a sub-
10 poena under subparagraph
11 (A)(iv)(I); or

12 “(bb) a court of appeals of
13 the United States after appealing
14 a decision of a district court of
15 the United States under item
16 (aa).

17 “(ii) LIMITATION ON LIABILITY.—A
18 covered financial institution shall not be
19 liable to any person in any court or arbi-
20 tration proceeding for terminating a cor-
21 respondent relationship under this sub-
22 paragraph or complying with a nondisclo-
23 sure order under subparagraph (C).

24 “(iii) FAILURE TO TERMINATE RELA-
25 TIONSHIP.—A covered financial institution

that fails to terminate a correspondent relationship under clause (i) shall be liable for a civil penalty in an amount that is not more than \$10,000 for each day that the covered financial institution fails to terminate the relationship.

“(F) ENFORCEMENT OF CIVIL PENALTIES.—Upon application by the United States, any funds held in the correspondent account of a foreign bank that is maintained in the United States with a covered financial institution may be seized by the United States to satisfy any civil penalties that are imposed—

“(i) under subparagraph (C)(ii); or

“(ii) by the court for contempt under subparagraph (D).”.

(b) FAIR CREDIT REPORTING ACT AMENDMENT.—

Section 604(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681b(a)(1)) is amended—

(1) by striking “, or a” and inserting “, a”; and

(2) by inserting “, or a subpoena issued in accordance with section 5318 of title 31, United States Code, or section 3486 of title 18, United States Code” after “grand jury”.

1 (e) OBSTRUCTION OF JUSTICE.—Section
 2 1510(b)(3)(B) of title 18, United States Code, is amend-
 3 ed—

4 (1) in the matter preceding clause (i), by strik-
 5 ing “or a Department of Justice subpoena (issued
 6 under section 3486 of title 18)” and inserting “; a
 7 subpoena issued under section 3486 of this title; or
 8 an order or subpoena issued in accordance with sec-
 9 tion 3512 of this title; section 5318 of title 31, or
 10 section 1782 of title 28,”; and

11 (2) in clause (i) by inserting “; 1960, or an of-
 12 fense against a foreign nation constituting specified
 13 unlawful activity under section 1956, or a foreign of-
 14 fense for which enforcement of a foreign forfeiture
 15 judgment could be brought under section 2467 of
 16 title 28” after “1957”.

17 (d) RIGHT TO FINANCIAL PRIVACY ACT.—Section
 18 1120(b)(1)(A) of the Right to Financial Privacy Act of
 19 1978 (12 U.S.C. 3420(b)(1)(A)) is amended—

20 (1) by striking “or 1957” and inserting “;
 21 1957, or 1960”; and

22 (2) by striking “and 5324” and inserting “;
 23 5322, 5324, 5331, and 5332”.

1 **SEC. 15. DANGER PAY ALLOWANCE.**

2 Section 151 of the Foreign Relations Authorization
 3 Act, Fiscal Years 1990 and 1991 (5 U.S.C. 5928 note)
 4 is amended by striking “Drug Enforcement Administra-
 5 tion or Federal Bureau of Investigation” and inserting
 6 “Drug Enforcement Administration, the Federal Bureau
 7 of Investigation, U.S. Immigration and Customs Enforce-
 8 ment, U.S. Customs and Border Protection, or the United
 9 States Secret Service”.

10 **SEC. 16. CLARIFICATION OF SECRET SERVICE AUTHORITY**
 11 **TO INVESTIGATE MONEY LAUNDERING.**

12 Section 3056(b)(3) of title 18, United States Code,
 13 is amended—

14 (1) by inserting “money laundering, structured
 15 transactions,” after “documents or devices,”; and

16 (2) by striking “federally insured”.

17 **SEC. 17. PROHIBITION ON CONCEALMENT OF OWNERSHIP**
 18 **OF ACCOUNT.**

19 (a) IN GENERAL.—Subchapter II of chapter 53 of
 20 title 31, United States Code, is amended by adding at the
 21 end the following:

22 **“§ 5333. Prohibition on concealment of ownership of**
 23 **account**

24 “(a) IN GENERAL.—No person shall knowingly con-
 25 ceal, falsify, or misrepresent, or attempt to conceal, falsify,
 26 or misrepresent, from or to a financial institution, a mate-

1 rial fact concerning the ownership or control of an account
 2 or assets held in an account with a financial institution.

3 “(b) PENALTIES.—A person convicted of an offense
 4 under subsection (a), or a conspiracy to commit such of-
 5 fense, shall be imprisoned for not more than 10 years,
 6 fined not more than \$1,000,000, or both.

7 “(c) FORFEITURE.—

8 “(1) CRIMINAL FORFEITURE.—

9 “(A) IN GENERAL.—The court, in impos-
 10 ing penalties under subsection (b), shall order
 11 that the defendant forfeit to the United States
 12 any property involved in the offense, or a con-
 13 spiracy to commit such offense, and any prop-
 14 erty traceable thereto.

15 “(B) PROCEDURE.—Section 413 of the
 16 Controlled Substances Act (21 U.S.C. 853)
 17 shall govern the seizure, restraint, and for-
 18 feiture of property under this paragraph.

19 “(2) CIVIL FORFEITURE.—

20 “(A) IN GENERAL.—Any property involved
 21 in a violation of subsection (a), or a conspiracy
 22 to commit such violation, and any property
 23 traceable thereto may be seized and forfeited to
 24 the United States.

1 “(B) PROCEDURE.—Seizures and forfeit-
 2 ures under this paragraph shall be governed by
 3 the provisions of chapter 46 of title 18 relating
 4 to civil forfeitures, except that such duties,
 5 under customs laws described in section 981(d)
 6 of title 18, given to the Secretary of the Treas-
 7 ury shall be performed by such officers, agents,
 8 and other persons as designated by the Sec-
 9 retary of Homeland Security or the Attorney
 10 General.

11 “(3) TREATMENT OF CERTAIN PROPERTY AS
 12 INVOLVED IN THE OFFENSE.—In this subsection,
 13 the term ‘property involved in’ includes any assets
 14 credited to, attempted to be credited to, or contained
 15 in the account.

16 “(d) FINANCIAL INSTITUTION.—In this section, the
 17 term ‘financial institution’ means any entity defined under
 18 section 5312(a)(2), or the regulations promulgated under
 19 this title, that is required to—

20 “(1) implement a customer identification pro-
 21 gram under this title, or the regulations promul-
 22 gated under this title; or

23 “(2) conduct customer due diligence under this
 24 title, or the regulations promulgated under this
 25 title.”.

1 (b) ~~TABLE OF SECTIONS.—~~The table of sections for
 2 subchapter H of chapter 53 of title 31, United States
 3 Code, is amended by adding at the end the following:

“~~5333. Prohibition on concealment of ownership of account.~~”.

4 **SEC. 18. PROHIBITION ON CONCEALMENT OF THE SOURCE**
 5 **OF ASSETS IN MONETARY TRANSACTIONS.**

6 (a) ~~IN GENERAL.—~~Subchapter H of chapter 53 of
 7 title 31, United States Code, as amended by section 17
 8 of this Act, is amended by adding at the end the following:

9 **“§ 5334. Prohibition on concealment of the source of**
 10 **assets in monetary transactions**

11 “(a) ~~IN GENERAL.—~~No person shall knowingly con-
 12 ceal, falsify, or misrepresent, or attempt to conceal, falsify,
 13 or misrepresent, from or to a financial institution, a mate-
 14 rial fact concerning the ownership or control of assets in-
 15 volved in a monetary transaction if—

16 “(1) the person or entity who owns or controls
 17 such assets is a senior foreign political figure, or any
 18 immediate family member or close associate of a
 19 senior foreign political figure, as set forth in this
 20 title or the regulations promulgated under this title;
 21 and

22 “(2) the aggregate value of the assets involved
 23 in one or more such transactions is not less than
 24 \$1,000,000.

1 “(b) SOURCE OF FUNDS.—No person shall knowingly
 2 conceal, falsify, or misrepresent, or attempt to conceal, fal-
 3 sify, or misrepresent, from or to a financial institution,
 4 a material fact concerning the source of funds in a mone-
 5 tary transaction that—

6 “(1) involves an entity found to be a primary
 7 money laundering concern under section 5318A or
 8 the regulations promulgated under this title; and

9 “(2) violates the prohibitions or conditions pre-
 10 scribed under section 5318A(b)(5) or the regulations
 11 promulgated under this title.

12 “(c) PENALTIES.—A person convicted of an offense
 13 under subsection (a) or (b), or a conspiracy to commit
 14 such offense, shall be imprisoned for not more than 10
 15 years, fined not more than \$1,000,000, or both.

16 “(d) FORFEITURE.—

17 “(1) CRIMINAL FORFEITURE.—

18 “(A) IN GENERAL.—The court, in impos-
 19 ing sentence under subsection (c), shall order
 20 that the defendant forfeit to the United States
 21 any property involved in the offense and any
 22 property traceable thereto.

23 “(B) PROCEDURE.—The seizure, restraint,
 24 and forfeiture of property under this paragraph

1 shall be governed by section 413 of the Con-
 2 trolled Substances Act (21 U.S.C. 853).

3 ~~“(2) CIVIL FORFEITURE.—~~

4 ~~“(A) IN GENERAL.—Any property involved~~
 5 ~~in a violation of subsection (a) or (b), or a con-~~
 6 ~~spiracy to commit such violation, and any prop-~~
 7 ~~erty traceable thereto may be seized and for-~~
 8 ~~feited to the United States.~~

9 ~~“(B) PROCEDURE.—Seizures and forfeit-~~
 10 ~~ures under this paragraph shall be governed by~~
 11 ~~the provisions of chapter 46 of title 18, relating~~
 12 ~~to civil forfeitures, except that such duties,~~
 13 ~~under the customs laws described in section~~
 14 ~~981(d) of title 18, given to the Secretary of the~~
 15 ~~Treasury shall be performed by such officers,~~
 16 ~~agents, and other persons as may be designated~~
 17 ~~for that purpose by the Secretary of Homeland~~
 18 ~~Security or the Attorney General.~~

19 ~~“(c) DEFINITIONS.—In this section—~~

20 ~~“(1) the term ‘financial institution’ has the~~
 21 ~~meaning given the term in section 5312(a)(2) of this~~
 22 ~~title; and~~

23 ~~“(2) the term ‘monetary transaction’ means the~~
 24 ~~deposit, withdrawal, transfer, or exchange, in or af-~~
 25 ~~fecting interstate or foreign commerce, of funds or~~

1 a monetary instrument (as defined in section
 2 1956(e)(5) of title 18) by, through, or to a financial
 3 institution (as defined in section 1956(e)(6) of title
 4 18)—

5 “(A) including any transaction that would
 6 be a financial transaction under section
 7 1956(e)(4)(B) of title 18; and

8 “(B) not including any transaction nec-
 9 essary to preserve a person’s right to represen-
 10 tation as guaranteed by the Sixth Amendment
 11 to the Constitution of the United States.”.

12 (b) TABLE OF SECTIONS.—The table of sections for
 13 subchapter H of chapter 53 of title 31, United States
 14 Code, as amended by section 17 of this Act, is amended
 15 by adding at the end the following:

“5334. Prohibition on concealment of the source of assets in monetary trans-
 actions.”.

16 **SEC. 19. RULE OF CONSTRUCTION.**

17 Nothing in this Act, or any amendment made by this
 18 Act, shall be construed to apply to the authorized law en-
 19 forcement, protective, or intelligence activities of the
 20 United States or of an intelligence agency of the United
 21 States.

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
 3 *“Combating Money Laundering, Terrorist Financing, and*
 4 *Counterfeiting Act of 2019”.*

5 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 6 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Transportation or transshipment of blank checks in bearer form.

Sec. 3. Bulk cash smuggling.

Sec. 4. Section 1957 violations involving commingled funds and aggregated trans-
actions.

Sec. 5. Charging money laundering as a course of conduct.

Sec. 6. Illegal money services businesses.

Sec. 7. Prohibiting money laundering through hawalas, other informal value
transfer systems, and closely related transactions.

Sec. 8. Technical amendment to restore wiretap authority for certain money
laundering and counterfeiting offenses.

Sec. 9. Making the international money laundering statute apply to tax evasion.

Sec. 10. Conduct in aid of counterfeiting.

Sec. 11. Danger pay allowance.

Sec. 12. Clarification of Secret Service authority to investigate money laundering.

Sec. 13. Remittances and money laundering threat analysis.

Sec. 14. Rule of construction.

7 **SEC. 2. TRANSPORTATION OR TRANSHIPMENT OF BLANK**
 8 **CHECKS IN BEARER FORM.**

9 Section 5316 of title 31, United States Code, is amend-
 10 ed by adding at the end the following:

11 “(e) *MONETARY INSTRUMENTS WITH AMOUNT LEFT*
 12 *BLANK.*—*For purposes of this section, a monetary instru-*
 13 *ment in bearer form that has the amount left blank, such*
 14 *that the amount could be filled in by the bearer, shall be*
 15 *considered to have a value of more than \$10,000 if the in-*
 16 *strument was drawn on an account that contained, or was*
 17 *intended to contain more than \$10,000 at the time—*

1 “(1) the instrument was transported; or

2 “(2) the instrument was negotiated or was in-
3 tended to be negotiated.”.

4 **SEC. 3. BULK CASH SMUGGLING.**

5 Section 5332(b) of title 31, United States Code, is
6 amended—

7 (1) in paragraph (1), by striking “5 years” and
8 inserting “10 years”;

9 (2) by redesignating paragraphs (2), (3), and
10 (4), as paragraphs (3), (4), and (5), respectively;

11 (3) by inserting after paragraph (1) the fol-
12 lowing:

13 “(2) *FINE*.—

14 “(A) *IN GENERAL*.—Whoever violates this
15 section shall be fined under title 18.

16 “(B) *ENHANCED FINE FOR AGGRAVATED*
17 *CASES*.—Whoever violates this section while vio-
18 lating another law of the United States, other
19 than section 5316 or 5324(c) of this title, or as
20 a part of a pattern of any unlawful activity, in-
21 cluding a violation of section 5316 or 5324(c) of
22 this title, shall be fined double the amount pro-
23 vided in subsection (b)(3) or (c)(3) (as applica-
24 ble) of section 3571 of title 18.”; and

1 (4) in paragraph (5), as redesignated, by strik-
 2 ing “paragraph (2)” and inserting “paragraph (3)”.

3 **SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMUN-**
 4 **ICATED FUNDS AND AGGREGATED TRANS-**
 5 **ACTIONS.**

6 Section 1957 of title 18, United States Code, is amend-
 7 ed by adding at the end the following:

8 “(g) In a prosecution for an offense under this section,
 9 the Government may satisfy the \$10,000 monetary trans-
 10 action value requirement under subsection (a) by showing
 11 that—

12 “(1) the monetary transaction involved the
 13 transfer, withdrawal, encumbrance, or other disposi-
 14 tion of more than \$10,000 from an account in which
 15 more than \$10,000 in proceeds of specified unlawful
 16 activity was commingled with other funds; or

17 “(2) the defendant conducted a series of mone-
 18 etary transactions in amounts of not more than
 19 \$10,000 that—

20 “(A) exceeded \$10,000 in the aggregate; and

21 “(B) were closely related to each other as
 22 demonstrated by factors such as—

23 “(i) the time period between the trans-
 24 actions;

1 “(ii) the identity of the parties in-
2 volved;

3 “(iii) the nature or purpose of the
4 transactions; and

5 “(iv) the manner in which the trans-
6 actions were conducted.”.

7 **SEC. 5. CHARGING MONEY LAUNDERING AS A COURSE OF**
8 **CONDUCT.**

9 Section 1956 of title 18, United States Code, is amend-
10 ed—

11 (1) in subsection (h), by striking “or section
12 1957” and inserting “, section 1957, or section 1960”;
13 and

14 (2) by adding at the end the following:

15 “(j) *MULTIPLE VIOLATIONS.*—Multiple violations of
16 this section that are part of the same scheme or continuing
17 course of conduct may be charged, at the election of the Gov-
18 ernment, in a single count in an indictment or informa-
19 tion.”.

20 **SEC. 6. ILLEGAL MONEY SERVICES BUSINESSES.**

21 (a) *IN GENERAL.*—Section 1960 of title 18, United
22 States Code, is amended by striking subsections (a) and (b)
23 and inserting the following:

1 “(a) *OFFENSE.—Whoever knowingly conducts, con-*
 2 *trols, manages, supervises, directs, or owns all or part of*
 3 *a covered money services business that—*

4 “(1) *is operated without an appropriate license*
 5 *in a State where such operation is punishable as a*
 6 *misdemeanor or a felony under State law, whether or*
 7 *not the person knows that the operation is required*
 8 *to be licensed or that the operation is so punishable;*

9 “(2) *fails to comply with the money services*
 10 *business registration requirements under section 5330*
 11 *of title 31, or regulations prescribed under that sec-*
 12 *tion, whether or not the person knows that the oper-*
 13 *ation is required to comply with those registration re-*
 14 *quirements; or*

15 “(3) *otherwise engages in a transaction involv-*
 16 *ing funds that the person knows have been derived*
 17 *from a criminal offense or are intended to be used to*
 18 *promote or support unlawful activity,*

19 *shall be punished as provided in subsection (b).*

20 “(b) *CRIMINAL PENALTY.—Any person who violates—*

21 “(1) *subsection (a) shall be fined in accordance*
 22 *with this title, imprisoned for not more than 5 years,*
 23 *or both; and*

24 “(2) *subsection (a) by conducting, controlling,*
 25 *managing, supervising, directing, or owning all or*

1 *part of a covered money services business that en-*
 2 *gaged in activity as a covered money services business*
 3 *involving more than \$1,000,000 during a 12-month*
 4 *period, or by engaging in a transaction or trans-*
 5 *actions involving more than \$1,000,000 during a 12-*
 6 *month period, shall be fined double the amount pro-*
 7 *vided in subsection (b)(3) or (c)(3) (as applicable) of*
 8 *section 3571, imprisoned for not more than 10 years,*
 9 *or both.*

10 *“(c) DEFINITIONS.—In this section—*

11 *“(1) the term ‘covered money services business’*
 12 *means a money services business that—*

13 *“(A) operates on behalf of the public; and*

14 *“(B) affects interstate or foreign commerce*
 15 *in any manner or degree;*

16 *“(2) the term ‘money services business’—*

17 *“(A) has the meaning given the term in sec-*
 18 *tion 5330 of title 31 and any regulations pre-*
 19 *scribed under that section; and*

20 *“(B) includes a person that engages in the*
 21 *transfer, transportation, or exchange of currency,*
 22 *funds, or value that substitutes for currency by*
 23 *any and all means, even when not performed for*
 24 *profit; and*

1 “(3) the term ‘State’ means any State of the
 2 United States, the District of Columbia, the Northern
 3 Mariana Islands, and any commonwealth, territory,
 4 or possession of the United States.”.

5 (b) *TECHNICAL AND CONFORMING AMENDMENTS.*—

6 (1) *SECTION 1960 OF TITLE 18, UNITED STATES*
 7 *CODE.*—

8 (A) *SECTION HEADING.*—Section 1960 of
 9 title 18, United States Code, is amended in the
 10 section heading—

11 (i) by striking “**unlicensed**” and in-
 12 serting “**illegal**”; and

13 (ii) by striking “**transmitting**” and
 14 inserting “**services**”.

15 (B) *TABLE OF SECTIONS.*—The table of sec-
 16 tions for chapter 95 of title 18, United States
 17 Code, is amended by striking the item relating to
 18 section 1960 and inserting the following:

“1960. Prohibition of illegal money services businesses.”.

19 (2) *SECTION 5330 OF TITLE 31, UNITED STATES*
 20 *CODE.*—

21 (A) *HEADINGS.*—Section 5330 of title 31,
 22 United States Code, is amended—

23 (i) in the section heading, by striking
 24 “**transmitting**” and inserting “**serv-**
 25 **ices**”;

1 (ii) in subsection (c)—

2 (I) in the subsection heading, by
3 striking “TRANSMITTING” and insert-
4 ing “SERVICES”;

5 (II) in paragraph (1), in the
6 paragraph heading, by striking
7 “TRANSMITTING” and inserting “SERV-
8 ICES”; and

9 (III) in paragraph (2), in the
10 paragraph heading, by striking
11 “TRANSMITTING” and inserting “SERV-
12 ICES”; and

13 (iii) in subsection (d)(1), in the para-
14 graph heading, by striking “TRANSMITTING”
15 and inserting “SERVICES”.

16 (B) TEXT.—Section 5330 of title 31, United
17 States Code, is amended—

18 (i) by striking “money transmitting
19 business” each place that term appears and
20 inserting “money services business”; and

21 (ii) in subsection (a)(3), by striking
22 “money transmitting businesses” and in-
23 serting “a money services business”.

24 (C) TABLE OF SECTIONS.—The table of sec-
25 tions for subchapter II of chapter 53 of title 31,

1 *United States Code, is amended by striking the*
 2 *item relating to section 5330 and inserting the*
 3 *following:*

 “5330. *Registration of money services businesses.*”.

4 **SEC. 7. PROHIBITING MONEY LAUNDERING THROUGH**
 5 **HAWALAS, OTHER INFORMAL VALUE TRANS-**
 6 **FER SYSTEMS, AND CLOSELY RELATED**
 7 **TRANSACTIONS.**

8 *The matter following section 1956(a)(1)(B)(ii) of title*
 9 18, *United States Code, is amended by striking “For pur-*
 10 *poses of this paragraph, a financial transaction” and in-*
 11 *serting “For purposes of this paragraph and section 1957,*
 12 *a financial transaction or a monetary transaction, as ap-*
 13 *plicable,”.*

14 **SEC. 8. TECHNICAL AMENDMENT TO RESTORE WIRETAP AU-**
 15 **THORITY FOR CERTAIN MONEY LAUNDERING**
 16 **AND COUNTERFEITING OFFENSES.**

17 (a) *CURRENCY REPORTING OFFENSES.*—Section
 18 2516(1)(g) of title 18, *United States Code, is amended by*
 19 *striking “or section 5324 of title 31, United States Code*
 20 *(relating to structuring transactions to evade reporting re-*
 21 *quirement prohibited)” and inserting “or section 5324 or*
 22 *5332 of that title (relating to evasion of Federal transaction*
 23 *reporting requirements)”.*

24 (b) *MONEY LAUNDERING.*—Section 2516(1)(c) of title
 25 18, *United States Code, is amended by inserting “section*

1 1960 (relating to illegal money services businesses),” before
 2 “section 659”.

3 (c) COUNTERFEITING.—Section 2516(1)(d) of title 18,
 4 United States Code, is amended by striking “or 473” and
 5 inserting “473, 474, or 474A”.

6 **SEC. 9. MAKING THE INTERNATIONAL MONEY LAUNDERING**
 7 **STATUTE APPLY TO TAX EVASION.**

8 Section 1956(a)(2)(A) of title 18, United States Code,
 9 is amended—

10 (1) by inserting “(i)” before “with the intent to
 11 promote”; and

12 (2) by adding at the end the following:

13 “(ii) with the intent to engage in conduct
 14 constituting a violation of section 7201 or 7206
 15 of the Internal Revenue Code of 1986; or”.

16 **SEC. 10. CONDUCT IN AID OF COUNTERFEITING.**

17 (a) IN GENERAL.—Section 474(a) of title 18, United
 18 States Code, is amended by inserting after the paragraph
 19 beginning “Whoever has in his control, custody, or posses-
 20 sion any plate” the following:

21 “Whoever, with intent to defraud, has custody, control,
 22 or possession of any material, tool, machinery, or other
 23 equipment that can be used to make, alter, forge, or counter-
 24 feit any obligation or other security of the United States

1 *or any part of such obligation or security, except under the*
 2 *authority of the Secretary of the Treasury; or”.*

3 (b) *FOREIGN OBLIGATIONS AND SECURITIES.*—Section
 4 481 of title 18, United States Code, is amended by inserting
 5 after the paragraph beginning “Whoever, with intent to de-
 6 fraud” the following:

7 “Whoever, with intent to defraud, has custody, control,
 8 or possession of any material, tool, machinery, or other
 9 equipment that can be used to make, alter, forge, or counter-
 10 feit any obligation or other security of any foreign govern-
 11 ment, bank, or corporation; or”.

12 (c) *COUNTERFEIT ACTS.*—Section 470 of title 18,
 13 United States Code, is amended by striking “or 474” and
 14 inserting “474, or 474A”.

15 (d) *STRENGTHENING DETERRENTS TO COUNTER-*
 16 *FEITING.*—Section 474A of title 18, United States Code, is
 17 amended—

18 (1) in subsection (a), by inserting “, custody,”
 19 after “control”;

20 (2) in subsection (b)—

21 (A) by inserting “, custody,” after “con-
 22 trol”; and

23 (B) by striking “any essentially identical
 24 feature or device adapted to the making of any
 25 such obligation or security,” and inserting “any

1 *material or other thing made after or in simili-*
 2 *tude of any such deterrent,”; and*

3 *(3) by adding at the end the following:*

4 *“(d) Whoever has in his control, custody, or possession*
 5 *any obligation or security of the United States or any for-*
 6 *eign government from which the ink or other distinctive*
 7 *counterfeit deterrent has been completely or partially re-*
 8 *moved, except under the authority of the Secretary of the*
 9 *Treasury, is guilty of a class B felony.”.*

10 **SEC. 11. DANGER PAY ALLOWANCE.**

11 *Section 151 of the Foreign Relations Authorization*
 12 *Act, Fiscal Years 1990 and 1991 (5 U.S.C. 5928 note) is*
 13 *amended by striking “Drug Enforcement Administration or*
 14 *Federal Bureau of Investigation” and inserting “Drug En-*
 15 *forcement Administration, the Federal Bureau of Investiga-*
 16 *tion, U.S. Immigration and Customs Enforcement, U.S.*
 17 *Customs and Border Protection, or the United States Secret*
 18 *Service”.*

19 **SEC. 12. CLARIFICATION OF SECRET SERVICE AUTHORITY**
 20 **TO INVESTIGATE MONEY LAUNDERING.**

21 *Section 3056(b)(3) of title 18, United States Code, is*
 22 *amended—*

23 *(1) by inserting “money laundering, structured*
 24 *transactions,” after “documents or devices,”; and*

25 *(2) by striking “federally insured”.*

1 **SEC. 13. REMITTANCES AND MONEY LAUNDERING THREAT**

2 **ANALYSIS.**

3 (a) *DEFINITIONS.—In this section—*

4 (1) *the term “appropriate congressional commit-*
5 *tees” means—*

6 (A) *the Committee on the Judiciary of the*
7 *Senate;*

8 (B) *the Committee on Homeland Security*
9 *and Governmental Affairs of the Senate;*

10 (C) *the Caucus on International Narcotics*
11 *Control of the Senate;*

12 (D) *the Committee on Banking, Housing,*
13 *and Urban Affairs of the Senate;*

14 (E) *the Committee on the Judiciary of the*
15 *House of Representatives;*

16 (F) *the Committee on Homeland Security of*
17 *the House of Representatives; and*

18 (G) *the Committee on Financial Services of*
19 *the House of Representatives;*

20 (2) *the term “drug kingpins, crime syndicates,*
21 *and other persons”, with respect to the use of remit-*
22 *tances to finance terrorism, narcotics trafficking,*
23 *human trafficking, money laundering, and other*
24 *forms of illicit financing, domestically or internation-*
25 *ally, means any persons who—*

1 (A) are connected to individuals and orga-
 2 nizations associated with financing terrorism,
 3 narcotics trafficking, human trafficking, money
 4 laundering, and other forms of illicit financing,
 5 domestically or internationally; and

6 (B) have been designated as—

7 (i) a significant foreign narcotics traf-
 8 ficker under the Foreign Narcotics Kingpin
 9 Designation Act (21 U.S.C. 1901 et seq.);

10 (ii) a significant transnational crimi-
 11 nal organization under Executive Order
 12 13581 (76 Fed. Reg. 44757, 84 Fed. Reg.
 13 10255; relating to blocking property of
 14 transnational criminal organizations); or

15 (iii) a Specially Designated Global
 16 Terrorist under Executive Order 13224 (66
 17 Fed. Reg. 49079, 67 Fed. Reg. 44751, 68
 18 Fed. Reg. 4075, 70 Fed. Reg. 8499; relating
 19 to blocking property and prohibiting trans-
 20 actions with persons who commit, threaten
 21 to commit, or support terrorism);

22 (3) the term “human trafficking” has the mean-
 23 ing given the term “severe forms of trafficking in per-
 24 sons” in section 103 of the Trafficking Victims Pro-
 25 tection Act of 2000 (22 U.S.C. 7102);

1 (4) the term “money services business” has the
2 meaning given the term in section 5330 of title 31,
3 United States Code, as amended by section 6(b)(2);
4 and

5 (5) the term “money transmitting service” has
6 the meaning given the term in section 5330 of title
7 31, United States Code.

8 (b) ANALYSIS.—

9 (1) REQUIREMENT.—Not later than 1 year after
10 the date of the enactment of this Act, the Secretary of
11 the Treasury, in consultation with the Attorney Gen-
12 eral, the Secretary of Homeland Security, and the
13 head of any other appropriate Federal law enforce-
14 ment agency, shall submit to the appropriate congres-
15 sional committees a threat and operational analysis
16 of the use of remittances by drug kingpins, crime syn-
17 dicates, and other persons to finance terrorism, nar-
18 cotics trafficking, human trafficking, money laun-
19 dering, and other forms of illicit financing, domesti-
20 cally or internationally.

21 (2) CONTENTS.—The Secretary of the Treasury
22 shall include in the threat and operational analysis
23 required under paragraph (1) the following:

24 (A) Current and potential threats posed by
25 individuals and organized groups seeking—

1 (i) to exploit security vulnerabilities
2 with respect to remittances and money
3 transmitting services; or

4 (ii) to unlawfully use remittances to fi-
5 nance terrorism, narcotics trafficking,
6 human trafficking, money laundering, or
7 other forms of illicit financing, domestically
8 or internationally.

9 (B) Methods and pathways used to exploit
10 security vulnerabilities.

11 (C) Challenges presented by identity theft in
12 the use of remittances and money transmitting
13 services.

14 (D) Improvements needed to enhance co-
15 operation between and among Federal, State,
16 and local officials, including State regulators,
17 State and local prosecutors, and other law en-
18 forcement officials.

19 (E) Improvements needed to enhance co-
20 operation between money services businesses and
21 Federal, State, and local officials, including
22 State regulators, State and local prosecutors, and
23 other law enforcement officials.

24 (3) ANALYSIS REQUIREMENTS.—In compiling
25 the threat and operational analysis required under

paragraph (1), the Secretary of the Treasury, in consultation with the Attorney General, the Secretary of Homeland Security, and the head of any other appropriate Federal law enforcement agency, shall consider and examine the personnel needs, technology needs, and infrastructure needs of Federal law enforcement agencies.

(c) *REMITTANCES STRATEGY AND IMPLEMENTATION PLAN.*—

(1) *IN GENERAL.*—Not later than 180 days after the date on which the Secretary of the Treasury submits the threat analysis under subsection (b), and every 5 years thereafter for 10 years, the Secretary of the Treasury, in consultation with the Attorney General, the Secretary of Homeland Security, and the head of any other appropriate Federal law enforcement agency, shall submit to the appropriate congressional committees a remittances strategy and implementation plan.

(2) *CONTENTS.*—In preparing the remittances strategy and implementation plan under paragraph (1), the Secretary of the Treasury shall consider the following:

(A) *The remittances threat and operational analysis required under subsection (b), with an*

1 *emphasis on efforts to mitigate threats and chal-*
2 *lenges identified in the analysis.*

3 *(B) Efforts to reduce the use of remittances*
4 *and money transmitting services by drug king-*
5 *pins, crime syndicates, and other persons to fi-*
6 *nance terrorism, narcotics trafficking, human*
7 *trafficking, money laundering, and other forms*
8 *of illicit financing, domestically or internation-*
9 *ally.*

10 *(C) Efforts to prevent human trafficking*
11 *and the unlawful movement of illicit drugs and*
12 *other contraband through the use of remittances*
13 *and money transmitting services, and standards*
14 *against which the effectiveness of those efforts*
15 *may be determined.*

16 *(D) Efforts to focus collection and informa-*
17 *tion analysis to disrupt transnational criminal*
18 *organizations attempting to exploit security*
19 *vulnerabilities, and standards against which the*
20 *effectiveness of those efforts may be determined.*

21 *(E) Personnel, technology, and infrastruc-*
22 *ture needs of Federal law enforcement agencies.*

23 *(F) Efforts to prevent, detect, investigate,*
24 *and mitigate money laundering activities*
25 *through remittances and money transmitting*

1 *services, and standards against which the effec-*
2 *tiveness of those efforts may be determined.*

3 *(G) The lawful use of remittances, the role*
4 *that remittances play in countries' economies,*
5 *and how any recommended measures would im-*
6 *pose additional burdens on remittances in light*
7 *of their lawful uses.*

8 **SEC. 14. RULE OF CONSTRUCTION.**

9 *Nothing in this Act, or any amendment made by this*
10 *Act, shall be construed to apply to the authorized law en-*
11 *forcement, protective, or intelligence activities of the United*
12 *States or of an intelligence agency of the United States.*

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A BILL

To improve the prohibitions on money laundering,
and for other purposes.

JULY 23, 2019

Reported with an amendment