

106TH CONGRESS  
2D SESSION

# H. R. 3886

To combat international money laundering, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2000

Mr. LEACH (for himself, Mr. LAFALCE, Mrs. ROUKEMA, and Mr. VENTO) introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To combat international 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 “International Counter-Money Laundering Act of 2000”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purposes.

TITLE I—INTERNATIONAL COUNTER-MONEY LAUNDERING  
MEASURES

Sec. 101. Special measures for jurisdictions, financial institutions, or international transactions of primary money laundering concern.

TITLE II—CURRENCY TRANSACTION REPORTING AMENDMENTS  
AND RELATED IMPROVEMENTS

Sec. 201. Amendments relating to reporting of suspicious activities.

Sec. 202. Penalties for violations of geographic targeting orders and certain recordkeeping requirements, and lengthening effective period of geographic targeting orders.

Sec. 203. Authorization to include suspicions of illegal activity in written employment references.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds as follows:

3 (1) International money laundering provides the  
4 financial fuel that permits international criminal en-  
5 terprises to conduct and expand their operations to  
6 the detriment of the safety and security of American  
7 citizens.

8 (2) Money launderers subvert legitimate finan-  
9 cial mechanisms and banking relationships by using  
10 them as protective covering for the movement of  
11 criminal proceeds and, by so doing, can undermine  
12 the integrity of our financial institutions and of the  
13 global financial and trading systems upon which our  
14 prosperity and growth depend.

15 (3) Money launderers rely upon the existence  
16 and use of certain jurisdictions outside the United  
17 States that offer bank secrecy and special tax or  
18 regulatory advantages to nonresidents, and often  
19 complement those advantages with weak financial  
20 supervisory and regulatory regimes.

1           (4) Certain kinds of transactions involving such  
2 offshore jurisdictions—for example, those trans-  
3 actions specifically designed to offer anonymity or  
4 the avoidance of regulatory scrutiny—make it even  
5 more difficult for law enforcement and regulators to  
6 follow the trail of money earned by criminals who  
7 traffic in human misery, whether they are narcotics  
8 dealers, pornographers, terrorists, arms smugglers,  
9 or those whose frauds prey upon law abiding citi-  
10 zens.

11           (5) Certain banking relationships between fi-  
12 nancial institutions in the United States and finan-  
13 cial institutions located in such offshore jurisdic-  
14 tions, such as correspondent and payable-through  
15 accounts, are particularly vulnerable to abuse be-  
16 cause of the difficulty in obtaining accurate informa-  
17 tion about the beneficial owners whose funds pass  
18 through such accounts.

19           (6) The ability to mount effective counter-meas-  
20 ures to international money launderers requires na-  
21 tional, as well as bilateral and multilateral action,  
22 using tools specially designed for that use.

23           (b) PURPOSES.—The purposes of this Act are as fol-  
24 lows:

1           (1) To ensure that banking transactions and fi-  
2           nancial relationships, the conduct of such trans-  
3           actions and relationships, or both, do not contravene  
4           the purposes of subchapter II of chapter 53 of title  
5           31, United States Code, section 21 of the Federal  
6           Deposit Insurance Act, and chapter 2 of title I of  
7           Public Law 91–508, or facilitate the evasion of any  
8           such provision, to ensure that the purposes of such  
9           subchapter II continue to be fulfilled, and to guard  
10          against international money laundering and other fi-  
11          nancial crimes.

12          (2) To provide a clear national mandate for  
13          subjecting to special scrutiny those foreign jurisdic-  
14          tions, financial institutions operating outside the  
15          United States, and classes of international trans-  
16          actions that pose particular, identifiable opportuni-  
17          ties for money laundering.

18          (3) To provide the Secretary of the Treasury  
19          with broad discretionary authority to take certain  
20          measures tailored to the particular money laun-  
21          dering problems presented by specific foreign juris-  
22          dictions, financial institutions operating outside the  
23          United States, and classes of international trans-  
24          actions.

1           (4) To provide domestic financial institutions  
2 with guidance on which foreign jurisdictions, finan-  
3 cial institutions operating outside the United States,  
4 and classes of international transactions are of pri-  
5 mary money laundering concern to the United States  
6 government.

7           (5) To encourage the filing of suspicious activ-  
8 ity reports by financial institutions by improving the  
9 terms of the safe harbor from civil liability for filing  
10 such reports.

11           (6) To strengthen the Secretary's authority to  
12 issue and administer geographic targeting orders,  
13 and to clarify that violations of such orders or any  
14 other requirement imposed under the authority con-  
15 tained in chapter 2 of title I of Public Law 91-508  
16 and subchapters II and III of chapter 53 of title 31,  
17 United States Code, may result in criminal and civil  
18 penalties.

19           (7) To strengthen the ability of financial insti-  
20 tutions to maintain the integrity of their employee  
21 population.

1 **TITLE I—INTERNATIONAL COUN-**  
2 **TER—MONEY LAUNDERING**  
3 **MEASURES**

4 **SEC. 101. SPECIAL MEASURES FOR JURISDICTIONS, FINAN-**  
5 **CIAL INSTITUTIONS, OR INTERNATIONAL**  
6 **TRANSACTIONS OF PRIMARY MONEY LAUN-**  
7 **DERING CONCERN.**

8 (a) IN GENERAL.—Subchapter II of chapter 53 of  
9 title 31, United States Code, is amended by inserting after  
10 section 5318 the following new section:

11 **“§ 5318A. Special measures for jurisdictions, financial**  
12 **institutions, or international transactions**  
13 **of primary money laundering concern**

14 “(a) INTERNATIONAL COUNTER-MONEY LAUN-  
15 DERING REQUIREMENTS.—

16 “(1) IN GENERAL.—The Secretary may require  
17 domestic financial institutions and domestic financial  
18 agencies to take 1 or more of the special measures  
19 described in subsection (b) if the Secretary finds  
20 that reasonable grounds exist for concluding that a  
21 jurisdiction outside the United States, 1 or more fi-  
22 nancial institutions operating outside the United  
23 States, or 1 or more classes of transactions within  
24 or involving a jurisdiction outside the United States

1 is of primary money laundering concern, in accord-  
2 ance with subsection (c).

3 “(2) FORM OF REQUIREMENT.—The special  
4 measures described in subsection (b) may be im-  
5 posed by regulation, order, or otherwise as permitted  
6 by law, and in such sequence or combination, as the  
7 Secretary shall determine.

8 “(3) PROCESS.—

9 “(A) IN GENERAL.—In selecting which  
10 special measure or measures to take under this  
11 subsection, the Secretary shall consult with the  
12 Chairman of the Board of Governors of the  
13 Federal Reserve System.

14 “(B) FACTORS.—The Secretary also shall  
15 consider—

16 “(i) whether similar action has been  
17 or is being taken by other nations or multi-  
18 lateral groups;

19 “(ii) whether the imposition of any  
20 particular special measure would create a  
21 significant competitive disadvantage for fi-  
22 nancial institutions organized in the  
23 United States; and

24 “(iii) the extent to which the action  
25 would have a significant adverse systemic

1           impact on the international payment, clear-  
2           ance and settlement system, or on legiti-  
3           mate business activities involving the par-  
4           ticular jurisdiction.

5           “(4) NO LIMITATION ON OTHER AUTHORITY.—  
6           This section shall not be construed as superseding or  
7           otherwise restricting any other authority granted to  
8           the Secretary, or to any other agency, by this sub-  
9           chapter or otherwise.

10          “(b) SPECIAL MEASURES.—The special measures re-  
11         ferred to in subsection (a), with respect to a jurisdiction  
12         outside the United States, financial institution operating  
13         outside the United States, or class of transaction within  
14         or involving a jurisdiction outside the United States, are  
15         as follows:

16                 “(1) RECORDKEEPING AND REPORTING OF  
17                 CERTAIN FINANCIAL TRANSACTIONS.—

18                         “(A) IN GENERAL.—The Secretary may re-  
19                         quire a domestic financial institution or domes-  
20                         tic financial agency to maintain records, file re-  
21                         ports, or both, concerning the aggregate  
22                         amount of transactions, or concerning each  
23                         transaction, with respect to a jurisdiction out-  
24                         side the United States, 1 or more financial in-  
25                         stitutions operating outside the United States,

1 or 1 or more classes of transactions within or  
2 involving a jurisdiction outside the United  
3 States, if the Secretary finds any such jurisdic-  
4 tion, institution, or transaction to be of primary  
5 money laundering concern.

6 “(B) FORM OF RECORDS AND REPORTS.—  
7 Such records and reports shall be made and re-  
8 tained at such time, in such manner, and for  
9 such period of time, as the Secretary shall de-  
10 termine, and shall include such information as  
11 the Secretary may determine, including—

12 “(i) the identity and address of the  
13 participants in a transaction or relation-  
14 ship, including the identity of the origi-  
15 nator of any funds transfer;

16 “(ii) the legal capacity in which a par-  
17 ticipant in any transaction is acting;

18 “(iii) the identity of the beneficial  
19 owner of the funds involved in any trans-  
20 action; and

21 “(iv) a description of any transaction.

22 “(2) IDENTIFICATION OF BENEFICIAL  
23 OWNER.—The Secretary may require any domestic  
24 financial institution or domestic financial agency to  
25 obtain and retain information concerning the iden-

1       tity of each beneficial owner, and any agent of such  
2       beneficial owner, of any account opened or main-  
3       tained in the United States by a foreign person  
4       (other than a foreign entity some or all of whose  
5       shares are publicly-traded), or a representative of  
6       such a foreign person, that involves a jurisdiction  
7       outside the United States, 1 or more financial insti-  
8       tutions operating outside the United States, or 1 or  
9       more classes of transactions within or involving a ju-  
10      risdiction outside the United States, if the Secretary  
11      finds any such jurisdiction, institution, or trans-  
12      action to be of primary money laundering concern.

13           “(3) INFORMATION RELATING TO CERTAIN PAY-  
14      ABLE-THROUGH ACCOUNTS.—If the Secretary finds  
15      a jurisdiction outside the United States, 1 or more  
16      financial institutions operating outside the United  
17      States, or 1 or more classes of transactions within  
18      or involving a jurisdiction outside the United States  
19      to be of primary money laundering concern, the Sec-  
20      retary may require any domestic financial institution  
21      or domestic financial agency that opens or maintains  
22      a payable-through account in the United States for  
23      a foreign financial institution involving any such ju-  
24      risdiction or any such financial institution operating  
25      outside the United States, or a payable-through ac-

1 count through which any such transaction may be  
2 conducted, as a condition of opening or maintaining  
3 such account, to—

4 “(A) identify each customer (and rep-  
5 resentative of such customer) of such financial  
6 institution who is permitted to use, or whose  
7 transactions are routed through, such payable-  
8 through account; and

9 “(B) obtain, with respect to each such cus-  
10 tomer (and each such representative), the same  
11 information that the depository institution ob-  
12 tains in the ordinary course of business with re-  
13 spect to customers residing in the United  
14 States.

15 “(4) INFORMATION RELATING TO CERTAIN COR-  
16 RESPONDENT ACCOUNTS.—If the Secretary finds a  
17 jurisdiction outside the United States, 1 or more fi-  
18 nancial institutions operating outside the United  
19 States, or 1 or more classes of transactions within  
20 or involving a jurisdiction outside the United States  
21 to be of primary money laundering concern, the Sec-  
22 retary may require any domestic financial institution  
23 or domestic financial agency that opens or maintains  
24 a correspondent account in the United States for a  
25 foreign financial institution involving any such juris-

1       diction or any such financial institution operating  
2       outside the United States, or a correspondent ac-  
3       count through which any such transaction may be  
4       conducted, as a condition of opening or maintaining  
5       such account, to—

6               “(A) identify each customer (and rep-  
7               resentative of such customer) of any such finan-  
8               cial institution who is permitted to use, or  
9               whose transactions are routed through, such  
10              correspondent account; and

11             “(B) obtain, with respect to each such cus-  
12             tomer (and each such representative), the same  
13             information that the depository institution ob-  
14             tains in the ordinary course with respect to cus-  
15             tomers residing in the United States.

16             “(5) PROHIBITIONS OR CONDITIONS ON OPEN-  
17             ING OR MAINTAINING CERTAIN CORRESPONDENT OR  
18             PAYABLE-THROUGH ACCOUNTS.—If the Secretary  
19             finds a jurisdiction outside the United States, 1 or  
20             more financial institutions operating outside the  
21             United States, or 1 or more classes of transactions  
22             within or involving a jurisdiction outside the United  
23             States to be of primary money laundering concern,  
24             the Secretary, in consultation with the Secretary of  
25             State and the Attorney General, may prohibit, or

1 impose conditions upon, the opening or maintaining  
2 in the United States of a correspondent account or  
3 payable-through account by a domestic financial in-  
4 stitution or domestic financial agency for or on be-  
5 half of a foreign banking institution if such cor-  
6 respondent account or payable-through account in-  
7 volves any such jurisdiction or institution, or if any  
8 such transaction may be conducted through such  
9 correspondent account or payable-through account.

10 “(c) INFORMATION TO BE CONSIDERED IN FINDING  
11 JURISDICTIONS, INSTITUTIONS, OR TRANSACTIONS TO BE  
12 OF PRIMARY MONEY LAUNDERING CONCERN.—

13 “(1) IN GENERAL.—In making a finding that  
14 reasonable grounds exist for concluding that a juris-  
15 diction outside the United States, 1 or more finan-  
16 cial institutions operating outside the United States,  
17 or 1 or more classes of transactions within or involv-  
18 ing a jurisdiction outside the United States is of pri-  
19 mary money laundering concern so as to allow the  
20 Secretary to invoke 1 or more of the special meas-  
21 ures of subsection (b), the Secretary shall consult  
22 with the Secretary of State and the Attorney Gen-  
23 eral.

24 “(2) INFORMATION.—The Secretary also shall  
25 consider such information as the Secretary considers

1 to be relevant, including the following potentially rel-  
2 evant factors:

3 “(A) In the case of a particular  
4 jurisdiction—

5 “(i) the extent to which that jurisdic-  
6 tion or financial institutions operating  
7 therein offer bank secrecy or special tax or  
8 regulatory advantages to nonresidents or  
9 nondomiciliaries of such jurisdiction;

10 “(ii) the substance and quality of ad-  
11 ministration of the jurisdiction’s bank su-  
12 pervisory and counter-money laundering  
13 laws;

14 “(iii) the relationship between the vol-  
15 ume of financial transactions occurring in  
16 that jurisdiction and the size of the juris-  
17 diction’s economy;

18 “(iv) the extent to which the jurisdic-  
19 tion is characterized as a tax haven or off-  
20 shore banking or secrecy haven by credible  
21 international organizations or multilateral  
22 expert groups; and

23 “(v) the experience of United States  
24 law enforcement officials, regulatory offi-  
25 cials, and tax administrators in obtaining

1 information about transactions originating  
2 in or routed through or to such jurisdic-  
3 tions;

4 “(B) In the case of a decision to apply 1  
5 or more of the special measures described in  
6 subsection (b) only to a financial institution or  
7 institutions, or to a transaction or class of  
8 transactions, or to both, within or involving a  
9 particular jurisdiction—

10 “(i) the extent to which such financial  
11 institutions or transactions are used to fa-  
12 cilitate or promote money laundering in or  
13 through the jurisdiction;

14 “(ii) the extent to which such institu-  
15 tions or transactions are used for legiti-  
16 mate business purposes in such jurisdic-  
17 tion; and

18 “(iii) the extent to which such action  
19 is sufficient to ensure, with respect to  
20 transactions involving such jurisdiction and  
21 institutions operating in such jurisdiction,  
22 that the purposes of this subchapter con-  
23 tinue to be fulfilled, and to guard against  
24 international money laundering and other  
25 financial crimes.

1       “(d) DEFINITIONS.—Notwithstanding any other pro-  
2 vision of this subchapter, for purposes of this section, the  
3 following definitions shall apply:

4           “(1) DEFINED TERMS.—

5               “(A) BANK DEFINITIONS.—The following  
6 definitions shall apply with respect to a bank:

7                   “(i) ACCOUNT.—The term ‘account’—

8                       “(I) means a formal banking or  
9 business relationship established to  
10 provide regular services, dealings, and  
11 other financial transactions; and

12                       “(II) includes a demand deposit,  
13 savings deposit, or other transaction  
14 or asset account and a credit account  
15 or other extension of credit.

16                   “(ii) CORRESPONDENT ACCOUNT.—

17                       The term ‘correspondent account’ means  
18 an account established to receive deposits  
19 from and make payments on behalf of a  
20 correspondent bank.

21                   “(iii) CORRESPONDENT BANK.—The

22 term ‘correspondent bank’ means a deposi-  
23 tory institution that accepts deposits from  
24 another financial institution and provides

1 services on behalf of such other financial  
2 institution.

3 “(B) DEFINITIONS APPLICABLE TO INSTI-  
4 TUTIONS OTHER THAN BANKS.—With respect  
5 to any financial institution other than a bank,  
6 the Secretary shall define, by regulation, order,  
7 or otherwise as permitted by law, the term ‘ac-  
8 count’ and shall include within the meaning of  
9 such term arrangements similar to payable-  
10 through and correspondent accounts.

11 “(2) OTHER TERMS.—The Secretary may, by  
12 regulation, order, or otherwise as permitted by law,  
13 further define the terms in paragraph (1) and define  
14 other terms for the purposes of this section, as the  
15 Secretary deems appropriate.”.

16 (b) CLERICAL AMENDMENT.—The table of sections  
17 for subchapter II of chapter 53 of title 31, United States  
18 Code, is amended by inserting after the item relating to  
19 section 5318 the following new item:

“5318A. Special measures for jurisdictions, financial institutions, or inter-  
national transactions of primary money laundering concern.”.

1 **TITLE II—CURRENCY TRANS-**  
2 **ACTION REPORTING AMEND-**  
3 **MENTS AND RELATED IM-**  
4 **PROVEMENTS**

5 **SEC. 201. AMENDMENTS RELATING TO REPORTING OF SUS-**  
6 **PICIOUS ACTIVITIES.**

7 (a) AMENDMENT RELATING TO CIVIL LIABILITY IM-  
8 MUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title  
9 31, United States Code, is amended to read as follows:

10 “(3) LIABILITY FOR DISCLOSURES.—

11 “(A) IN GENERAL.—Notwithstanding any  
12 other provision of law—

13 “(i) any financial institution that—

14 “(I) makes a voluntary disclosure  
15 of any possible violation of law or reg-  
16 ulation to a government agency; or

17 “(II) makes a disclosure pursu-  
18 ant to this subsection or any other au-  
19 thority;

20 “(ii) any director, officer, employee, or  
21 agent of such institution who makes, or re-  
22 quires another to make any such diselo-  
23 sure; and

24 “(iii) any independent public account-  
25 ant who audits any such financial institu-

1           tion and makes a disclosure described in  
2           clause (i),  
3           shall not be liable to any person under any law  
4           or regulation of the United States, any con-  
5           stitution, law, or regulation of any State or po-  
6           litical subdivision of any State, or under any  
7           contract or other legally enforceable agreement  
8           (including any arbitration agreement), for such  
9           disclosure or for any failure to notify the person  
10          who is the subject of such disclosure or any  
11          other person identified in the disclosure.

12           “(B) EXCEPTION.—Subparagraph (A)  
13          shall not apply to a disclosure or communica-  
14          tion required under Federal securities law,  
15          other than provisions of law that specifically  
16          refer to subchapter II of chapter 53 of title 31,  
17          United States Code.

18           “(C) RULE OF CONSTRUCTION.—Subpara-  
19          graph (A) shall not be construed as creating—

20                   “(i) any inference that the term ‘per-  
21                   son’, as used in such subparagraph, may  
22                   be construed more broadly than its ordi-  
23                   nary usage so to include any government  
24                   or agency of government; or

1           “(ii) any immunity against, or other-  
2           wise affecting, any civil or criminal action  
3           brought by any government or agency of  
4           government to enforce any constitution,  
5           law, or regulation of such government or  
6           agency.”

7           (b) PROHIBITION ON NOTIFICATION OF DISCLO-  
8 SURES.—Section 5318(g)(2) of title 31, United States  
9 Code, is amended to read as follows:

10           “(2) NOTIFICATION PROHIBITED.—

11           “(A) IN GENERAL.—If a financial institu-  
12           tion, any director, officer, employee, or agent of  
13           any financial institution, or any independent  
14           public accountant who audits any financial in-  
15           stitution, voluntarily or pursuant to this section  
16           or any other authority, reports a suspicious  
17           transaction to a government agency—

18           “(i) the financial institution, director,  
19           officer, employee, agent, or accountant  
20           may not notify any person involved in the  
21           transaction that the transaction has been  
22           reported; and

23           “(ii) no officer or employee of the  
24           Federal Government or of any state, local,  
25           tribal, or territorial government within the

1 United States, who has any knowledge that  
2 such report was made may disclose to any  
3 person involved in the transaction that the  
4 transaction has been reported other than  
5 as necessary to fulfill any such person's  
6 duties as required by law.

7 “(B) DISCLOSURES IN CERTAIN EMPLOY-  
8 MENT REFERENCES.—Notwithstanding the ap-  
9 plication of subparagraph (A) in any other con-  
10 text, subparagraph (A) shall not be construed  
11 as prohibiting any financial institution, or any  
12 director, officer, employee, or agent of such in-  
13 stitution, from including, in a written employ-  
14 ment reference that is provided in accordance  
15 with section 18(v) of the Federal Deposit Insur-  
16 ance Act in response to a request from another  
17 financial institution or a written termination  
18 notice or employment reference that is provided  
19 in accordance with the rules of the self-regu-  
20 latory organizations registered with the Securi-  
21 ties and Exchange Commission, information  
22 that was included in a report to which subpara-  
23 graph (A) applies, but such written employment  
24 reference may not disclose that such informa-

1           tion was also included in any such report or  
2           that such report was made.”.

3 **SEC. 202. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC**  
4                   **TARGETING ORDERS AND CERTAIN RECORD-**  
5                   **KEEPING REQUIREMENTS, AND LENGTH-**  
6                   **ENING EFFECTIVE PERIOD OF GEOGRAPHIC**  
7                   **TARGETING ORDERS.**

8           (a) CIVIL PENALTY FOR VIOLATION OF TARGETING  
9 ORDER.—Section 5321(a)(1) of title 31, United States  
10 Code, is amended—

11               (1) by inserting “or order issued” after “sub-  
12               chapter or a regulation prescribed”; and

13               (2) by inserting “, or willfully violating a regu-  
14               lation prescribed under section 21 of the Federal  
15               Deposit Insurance Act or section 123 of Public Law  
16               91–508,” after “section 5314 and 5315”).

17           (b) CRIMINAL PENALTIES FOR VIOLATION OF TAR-  
18 GETING ORDER.—Section 5322 of title 31, United States  
19 Code, is amended—

20               (1) in subsection (a)—

21                   (A) by inserting “or order issued” after  
22                   “willfully violating this subchapter or a regula-  
23                   tion prescribed”; and

24                   (B) by inserting “, or willfully violating a  
25                   regulation prescribed under section 21 of the

1 Federal Deposit Insurance Act or section 123  
2 of Public Law 91–508,” after “under section  
3 5315 or 5324),”;

4 (2) in subsection (b)—

5 (A) by inserting “or order issued” after  
6 “willfully violating this subchapter or a regula-  
7 tion prescribed”; and

8 (B) by inserting “or willfully violating a  
9 regulation prescribed under section 21 of the  
10 Federal Deposit Insurance Act or section 123  
11 of Public Law 91–508,” after “under section  
12 5315 or 5324),”.

13 (c) STRUCTURING TRANSACTIONS TO EVADE TAR-  
14 GETING ORDER OR CERTAIN RECORDKEEPING REQUIRE-  
15 MENTS.—Section 5324(a) of title 31, United States Code,  
16 is amended—

17 (1) by inserting a comma after “shall”;

18 (2) by striking “section—” and inserting “sec-  
19 tion, the reporting or recordkeeping requirements  
20 imposed by any order issued under section 5326, or  
21 the recordkeeping requirements imposed by any reg-  
22 ulation prescribed under section 21 of the Federal  
23 Deposit Insurance Act or section 123 of Public Law  
24 91–508—”;

1           (3) in paragraph (1) by inserting “, to file a re-  
2           port or to maintain a record required by an order  
3           issued under section 5326, or to maintain a record  
4           required pursuant to any regulation prescribed  
5           under section 21 of the Federal Deposit Insurance  
6           Act or section 123 of Public Law 91–508” after  
7           “regulation prescribed under any such section”; and

8           (4) in paragraph (2) by inserting “, to file a re-  
9           port or to maintain a record required by any order  
10          issued under section 5326, or to maintain a record  
11          required pursuant to any regulation prescribed  
12          under section 5326, or to maintain a record required  
13          pursuant to any regulation prescribed under section  
14          21 of the Federal Deposit Insurance Act or section  
15          123 of Public Law 91–508,” after “regulation pre-  
16          scribed under any such section”.

17          (d) LENGTHENING EFFECTIVE PERIOD OF GEO-  
18          GRAPHIC TARGETING ORDERS.—Section 5326(d) of title  
19          31, United States Code, is amended by striking “60” after  
20          “shall be effective for more than” and inserting “180”.

1 **SEC. 203. AUTHORIZATION TO INCLUDE SUSPICIONS OF IL-**  
2 **LEGAL ACTIVITY IN WRITTEN EMPLOYMENT**  
3 **REFERENCES.**

4 Section 18 of the Federal Deposit Insurance Act (12  
5 U.S.C. 1828) is amended by adding at the end the fol-  
6 lowing new paragraph:

7 “(v) WRITTEN EMPLOYMENT REFERENCES MAY  
8 CONTAIN SUSPICIONS OF INVOLVEMENT IN ILLEGAL AC-  
9 TIVITY.—

10 “(1) IN GENERAL.—Notwithstanding any other  
11 provision of law, any insured depository institution,  
12 and any director, officer, employee, or agent of such  
13 institution, may disclose in any written employment  
14 reference relating to a current or former institution-  
15 affiliated party of such institution which is provided  
16 to another insured depository institution in response  
17 to a request from such other institution, information  
18 concerning the possible involvement of such institu-  
19 tion-affiliated party in potentially unlawful activity.”

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