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".
(b) Table of Contents.—The table of contents for this Act is as follows:

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

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

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

"(e) Monetary Instruments With Amount Left Blank.—For purposes of this section, a monetary instrument in bearer form that has the amount left blank, such that the amount could be filled in by the bearer, shall be considered to have a value of more than $10,000 if the instrument was drawn on an account that contained, or was intended to contain more than $10,000 at the time—"
(1) the instrument was transported; or

(2) the instrument was negotiated or was intended to be negotiated.”.

SEC. 3. BULK CASH SMUGGLING.

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

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

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

(3) by inserting after paragraph (1) the following:

“(2) Fine.—

“(A) In general.—Whoever violates this section shall be fined under title 18.

“(B) Enhanced fine for aggravated cases.—Whoever violates this section while violating another law of the United States, other than section 5316 or 5324(e) of this title, or as a part of a pattern of any unlawful activity, including a violation of section 5316 or 5324(e) of this title, shall be fined double the amount provided in subsection (b)(3) or (e)(3) of section 3571 of title 18.”; and
(4) in paragraph (5), as redesignated, by strik-
ing "paragraph (2)" and inserting "paragraph (3)".

SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMINGLED FUNDS AND AGGREGATED TRANS-

CTIONS.

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

"(g) In a prosecution for an offense under this sec-
tion, the Government may satisfy the $10,000 monetary
transaction value requirement under subsection (a) by

showing that—

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

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

"(A) exceeded $10,000 in the aggregate;

and

"(B) were closely related to each other as
demonstrated by factors such as—

"(i) the time period between the
transactions;
“(ii) the identity of the parties involved;

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

“(iv) the manner in which the transactions were conducted.”.

SEC. 5. CHARGING MONEY LAUNDERING AS A COURSE OF CONDUCT.

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

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

(2) by adding at the end the following:

“(j) MULTIPLE VIOLATIONS.—Multiple violations of this section that are part of the same scheme or continuing course of conduct may be charged, at the election of the Government, in a single count in an indictment or information.”.

SEC. 6. ILLEGAL MONEY SERVICES BUSINESSES.

(a) In General.—Section 1960 of title 18, United States Code, is amended by striking subsections (a) and (b) and inserting the following:
(a) OFFENSE.—Whoever knowingly conducts, controls, manages, supervises, directs, or owns all or part of a covered money services business that—

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

"(2) fails to comply with the money services business registration requirements under section 5330 of title 31, or regulations prescribed under that section, whether or not the person knows that the operation is required to comply with those registration requirements; or

"(3) otherwise engages in a transaction involving funds that the person knows have been derived from a criminal offense or are intended to be used to promote or support unlawful activity,

shall be punished as provided in subsection (b).

(b) CRIMINAL PENALTY.—Any person who violates—

"(1) subsection (a) shall be fined in accordance with this title, imprisoned for not more than 5 years, or both; and
(2) subsection (a) by conducting, controlling, managing, supervising, directing, or owning all or part of a covered money services business that engaged in activity as a covered money services business involving more than $1,000,000 during a 12-month period, or by engaging in a transaction or transactions involving more than $1,000,000 during a 12-month period, shall be fined double the amount provided in subsection (b)(3) or (c)(3) (as applicable) of section 3571, imprisoned for not more than 10 years, or both.

(c) DEFINITIONS.—In this section—

(1) the term ‘covered money services business’ means a money services business that—

(A) operates on behalf of the public; and

(B) affects interstate or foreign commerce in any manner or degree;

(2) the term ‘money services business’—

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

(B) includes a person that engages in the transfer, transportation, or exchange of currency, funds, or value that substitutes for cur-
rence 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 “services”;

(ii) in subsection (e)—

(I) in the subsection heading, by striking “TRANSMITTING” and inserting “SERVICES”; and

(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 paragraph heading, by striking “TRANSMITTING” 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
(ii) in subsection (a)(3), by striking "money transmitting businesses" and inserting "a money services business".

(C) Table of Sections.—The table of sections for subchapter II of chapter 53 of title 31, United States Code, is amended by striking the item relating to section 5330 and inserting the following:

5330. Registration of money services businesses.

SEC. 7. Concealment Money Laundering.

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

(1) in paragraph (1)(B), by striking "knowing that" and all that follows through "Federal law,"

and inserting the following:

"(B) knowing that the transaction—

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

"(ii) avoids, or is intended to avoid, a transaction reporting requirement under State or Federal law;", and

(2) in paragraph (2)(B), by striking "knowing that" and all that follows through "Federal law,"

and inserting the following:


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(B) knowing that—

(i) the monetary instrument or funds involved in the transportation, transmission, or transfer represent the proceeds of some form of unlawful activity; and

(ii) the transportation, transmission, or transfer—

(I) conceals or disguises, or is intended to conceal or disguise, the nature, source, location, ownership, or control of the proceeds of some form of unlawful activity; or

(II) avoids, or is intended to avoid, a transaction reporting requirement under State or Federal law.

SEC. 8. FREEZING BANK ACCOUNTS OF PERSONS ARRESTED FOR OFFENSES INVOLVING THE MOVEMENT OF MONEY ACROSS INTERNATIONAL BORDERS.

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

(5)(A) If a person is arrested or charged in connection with an offense described in subparagraph (C) involving the movement of funds into or out of the United States, the Attorney General may apply to any Federal
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judge or magistrate judge in the district in which the arrest is made or the charges are filed for an ex parte order restraining any account held by the person arrested or charged for not more than 30 days, except that such 30-day time period may be extended for good cause shown at a hearing conducted in the manner provided in Rule 43(e) of the Federal Rules of Civil Procedure. The court may receive and consider evidence and information submitted by the Government that would be inadmissible under the Federal Rules of Evidence.

"(B) The application for the restraining order referred to in subparagraph (A) shall—

"(i) identify the offense for which the person has been arrested or charged;

"(ii) identify the location and description of the accounts to be restrained; and

"(iii) state that the restraining order is needed to prevent the removal of the funds in the account by the person arrested or charged, or by other persons associated with that person, during the time needed by the Government to conduct such investigation as may be necessary to establish whether there is probable cause to believe that the funds in the accounts are subject to forfeiture in connection with the commission of any criminal offense.
"(C) A restraining order may be issued under sub-
paragraph (A) if a person is arrested or charged with any
offense for which forfeiture is authorized under—
"(i) this title;
"(ii) title 31; or
"(iii) the Controlled Substances Act (21 U.S.C.
801 et seq.).
"(D) For purposes of this paragraph—
"(i) the term ‘account’ includes any safe deposit
box and any account (as defined in paragraphs (1)
and (2) of section 5318A(c) of title 31) at any fi-
nancial institution; and
"(ii) the term ‘account held by the person ar-
rested or charged’ includes an account held in the
name of that person, and any account over which
that person has effective control as a signatory or
otherwise.
"(E) Restraint under this paragraph shall not be
deemed a seizure for purposes of section 983(a).
"(F) A restraining order issued under this paragraph
may be executed in any district in which the subject ac-
count is found, or transmitted to the central authority of
any foreign State for service in accordance with any treaty
or other international agreement."
SEC. 9. PROHIBITING MONEY LAUNDERING THROUGH
     HAWALAS, OTHER INFORMAL VALUE TRANSFER SYSTEMS, AND CLOSELY RELATED
     TRANSACTIONS.

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

SEC. 10. TECHNICAL AMENDMENT TO RESTORE WIRETAP AUTHORITY FOR CERTAIN MONEY LAUNDERING AND COUNTERFEITING OFFENSES.

(a) Currency Reporting Offenses.—Section 2516(1)(g) of title 18, United States Code, is amended by striking "or section 5324 of title 31, United States Code (relating to structuring transactions to evade reporting requirement prohibited)" and inserting "or section 5324, 5331, or 5332 of that title (relating to evasion of Federal transaction reporting requirements)".

(b) Money Laundering.—Section 2516(1)(e) of title 18, United States Code, is amended by inserting "section 1960 (relating to illegal money services businesses)," before "section 659".
(e) COUNTERFEITING.—Section 2516(1)(d) of title 18, United States Code, is amended by striking "or 473" and inserting "473, 474, or 474A".

SEC. 11. MAKING THE INTERNATIONAL MONEY LAUNDERING STATUTE APPLY TO TAX EVASION.

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

(1) by inserting "(i)" before "with the intent to promote"; and

(2) by adding at the end the following:

"(ii) with the intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986, or".

SEC. 12. CONDUCT IN AID OF COUNTERFEITING.

(a) IN GENERAL.—Section 474(a) of title 18, United States Code, is amended by inserting after the paragraph beginning "Whoever has in his control, custody, or possession any plate" the following:

"Whoever, with intent to defraud, has custody, control, or possession of any material, tool, machinery, or other equipment that can be used to make, alter, forge, or counterfeit any obligation or other security of the United States or any part of such obligation or security, except under the authority of the Secretary of the Treasury; or".
(b) FOREIGN OBLIGATIONS AND SECURITIES.—Section 481 of title 18, United States Code, is amended by inserting after the paragraph beginning "Whoever, with intent to defraud" the following:

"Whoever, with intent to defraud, has custody, control, or possession of any material, tool, machinery, or other equipment that can be used to make, alter, forge, or counterfeit any obligation or other security of any foreign government, bank, or corporation; or"

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

(d) STRENGTHENING DETERRENTS TO COUNTERFEITING.—Section 474A of title 18, United States Code, is amended—

(1) in subsection (a), by inserting "custody," after "control;"

(2) in subsection (b)—

(A) by inserting "custody," after "control;" and

(B) by striking "any essentially identical feature or device adapted to the making of any such obligation or security," and inserting "any material or other thing made after or in similitude of any such deterrent,"; and
(3) by adding at the end the following:

“(d) Whoever has in his control, custody, or possession any obligation or security of the United States or any foreign government from which the ink or other distinctive counterfeit deterrent has been completely or partially removed, except under the authority of the Secretary of the Treasury, is guilty of a class B felony.”

SEC. 13. ADMINISTRATIVE SUBPOENAS FOR MONEY LAUNDERING CASES.

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

(1) in paragraph (1)(A)—

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

(B) in clause (ii), by striking “or”;

(C) in clause (iii)—

(i) by striking “section 3056” and inserting “section 3056(a)”;

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

(D) by inserting after clause (iii) the following:

“(iv) an offense under section 1956, 1957, or 1960 of this title, or section 5313, 5316, 5324, 5331, or 5332 of title
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) in paragraph (1)—

(A) by redesignating subparagraph (B) as subparagraph (C); and

(B) by inserting after subparagraph (A) the following:

"(B) COVERED FINANCIAL INSTITUTION.—

The term ‘covered financial institution’ means an institution referred to in subsection (j)(1);’’;

and

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

"(3) FOREIGN BANK RECORDS.—

(A) SUBPOENA OF RECORDS.—

"(i) IN GENERAL. Notwithstanding subsection (b), the Secretary of the Treasury or the Attorney General may issue a subpoena to any foreign bank that maintains a correspondent account in the United States and request any records relating to the correspondent account or any account at the foreign bank, including records maintained outside of the United States, that are the subject of any—"
“(I) investigation of a violation of a criminal law of the United States; or

“(II) civil forfeiture action.

“(ii) PRODUCTION OF RECORDS.—The foreign bank on which a subpoena described in clause (i) is served shall produce all requested records and authenticate all requested records with testimony in the manner described in—

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

“(II) section 3505 of title 18.

“(iii) ISSUANCE AND SERVICE OF SUBPOENA.—A subpoena described in clause (i)—

“(I) shall designate—

“(aa) a return date; and

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

“(II) may be served—

“(aa) in person;

“(bb) by mail or fax in the United States if the foreign bank
has a representative in the United States; or

''(cc) in a foreign country under any mutual legal assistance treaty, multilateral agreement, or other request for international legal or law enforcement assistance.

''(iv) RELIEF FROM SUBPOENA.—

''(I) IN GENERAL.—At any time before the return date of the subpoena described in clause (i), the foreign bank on which the subpoena is served may petition the district court of the United States for the judicial district in which the related investigation is proceeding, as designated in the subpoena, to modify or quash—

''(aa) the subpoena; or

''(bb) the prohibition against disclosure described in subparagraph (C).

''(II) CONFLICT WITH FOREIGN SECRECY OR CONFIDENTIALITY.—An assertion that compliance with the
subpoena would conflict with a provision of foreign secrecy or confidentiality law shall not be a basis for quashing or modifying the subpoena.

"(B) ACCEPTANCE OF SERVICE.—

"(i) MAINTAINING RECORDS IN THE UNITED STATES.—Any covered financial institution that maintains a correspondent account in the United States for a foreign bank shall maintain records in the United States identifying—

"(I) the owners of such foreign bank; and

"(II) the name and address of a person who—

"(aa) resides in the United States; and

"(bb) is authorized to accept service of legal process for records covered under this subsection.

"(ii) LAW ENFORCEMENT REQUEST.—

Upon receipt of a written request from a Federal law enforcement officer for information required to be maintained under
this paragraph, a covered financial institution shall provide the information to the requesting officer not later than 7 days after receipt of the request.

"(C) Nondisclosure of subpoena.—

"(i) In general.—No officer, director, partner, employee, or shareholder of, or agent or attorney for, a foreign bank on which a subpoena is served under this paragraph shall, directly or indirectly, notify any account holder involved or any person named in the subpoena issued under subparagraph (A)(i) and served on such an institution about the existence or contents of such subpoena.

"(ii) Damages.—Upon application by the Attorney General for a violation of this subparagraph, a foreign bank on which a subpoena is served under this paragraph shall be liable to the United States Government for a civil penalty in an amount equal to—

"(I) double the amount of the suspected criminal proceeds sent through the correspondent account of
the foreign bank in the related investigation; or

\( \text{(II)} \) if no such proceeds can be identified, $250,000.

\( \text{(D) ENFORCEMENT:—} \)

\( \text{(i) IN GENERAL.—} \) If a foreign bank fails to obey a subpoena issued under subparagraph \( \text{(A)(i)} \), 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.

\( \text{(ii) COURT ORDERS AND CONTEMPT OF COURT.—} \) The court may—

\( \text{(I) issue an order requiring the foreign bank to appear before the Secretary of the Treasury or the Attorney General to produce—} \)

\( \text{(aa) certified records, in accordance with—} \)

\( \text{(AA) rule 902(12) of the Federal Rules of Evidence; or} \)
``(BB) section 3505 of title 18; or

``(bb) testimony regarding the production of such records; and

``(II) punish any failure to obey an order issued under subclause (I) as contempt of court.

``(iii) Service of process.—All process in a case under this subparagraph shall be served on the foreign bank in the same manner as described in subparagraph (A)(iii).

``(E) Termination of correspondent relationship.—

``(i) Termination upon receipt of notice.—A covered financial institution shall terminate any correspondent relationship with a foreign bank not later than 10 business days after the date on which the covered financial institution receives written notice from the Secretary of the Treasury or the Attorney General if, after consultation with the other, the Secretary of the Treasury or Attorney General, as ap-
applicable, determines that the foreign bank has failed—

"(I) to comply with a subpoena issued under subparagraph (A)(i); or

"(II) to prevail in proceedings before—

"(aa) the appropriate district court of the United States after challenging such a subpoena under subparagraph (A)(iv)(I); or

"(bb) a court of appeals of the United States after appealing a decision of a district court of the United States under item (aa).

"(ii) LIMITATION ON LIABILITY.—A covered financial institution shall not be liable to any person in any court or arbitration proceeding for terminating a correspondent relationship under this subparagraph or complying with a nondisclosure order under subparagraph (C).

"(iii) FAILURE TO TERMINATE RELATIONSHIP.—A covered financial institution

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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".
(a) Obstruction of Justice.—Section 1510(b)(3)(B) of title 18, United States Code, is amended—

(1) in the matter preceding clause (i), by striking "or a Department of Justice subpoena (issued under section 3486 of title 18)" and inserting "a subpoena issued under section 3486 of this title, or an order or subpoena issued in accordance with section 3512 of this title, section 5318 of title 31, or section 1782 of title 28,"; and

(2) in clause (i) by inserting "1960; or an offense against a foreign nation constituting specified unlawful activity under section 1956, or a foreign offense for which enforcement of a foreign forfeiture judgment could be brought under section 2467 of title 28" after "1957".


(1) by striking "or 1957" and inserting "1957; or 1960"; and

(2) by striking "and 5324" and inserting "5322, 5324, 5331, and 5332".
SEC. 15. DANGER PAY ALLOWANCE.


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

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

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

(2) by striking “federally insured”.

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

(a) In General.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

“§ 5333. Prohibition on concealment of ownership of account

“(a) In General.—No person shall knowingly conceal, falsify, or misrepresent, or attempt to conceal, falsify, or misrepresent, from or to a financial institution, a mate-
rial fact concerning the ownership or control of an account
or assets held in an account with a financial institution.

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

"(c) FORFEITURE.—

"(1) CRIMINAL FORFEITURE.—

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

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

"(2) CIVIL FORFEITURE.—

"(A) IN GENERAL.—Any property involved
in a violation of subsection (a), or a conspiracy
to commit such violation, and any property
traceable thereto may be seized and forfeited to
the United States.
“(B) Procedure.—Seizures and forfeitures under this paragraph shall be governed by the provisions of chapter 46 of title 18 relating to civil forfeitures, except that such duties, under customs laws described in section 981(d) of title 18, given to the Secretary of the Treasury shall be performed by such officers, agents, and other persons as designated by the Secretary of Homeland Security or the Attorney General.

“(3) Treatment of certain property as involved in the offense.—In this subsection, the term ‘property involved in’ includes any assets credited to, attempted to be credited to, or contained in the account.

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

“(1) implement a customer identification program under this title, or the regulations promulgated under this title; or

“(2) conduct customer due diligence under this title, or the regulations promulgated under this title.”.
(b) Table of Sections.—The table of sections for subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

"$5333. Prohibition on concealment of ownership of account."

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

(a) In General.—Subchapter II of chapter 53 of title 31, United States Code, as amended by section 17 of this Act, is amended by adding at the end the following:

"§ 5334. Prohibition on concealment of the source of assets in monetary transactions

"(a) In General.—No person shall knowingly conceal, falsify, or misrepresent, or attempt to conceal, falsify, or misrepresent, from or to a financial institution, a material fact concerning the ownership or control of assets involved in a monetary transaction if—

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

"(2) the aggregate value of the assets involved in one or more such transactions is not less than $1,000,000."
“(b) Source of Funds.—No person shall knowingly conceal, falsify, or misrepresent, or attempt to conceal, falsify, or misrepresent, from or to a financial institution, a material fact concerning the source of funds in a monetary transaction that—

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

“(2) violates the prohibitions or conditions prescribed under section 5318A(b)(5) or the regulations promulgated under this title.

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

“(d) Forfeiture.—

“(1) Criminal Forfeiture.—

“(A) In General.—The court, in imposing sentence under subsection (c), shall order that the defendant forfeit to the United States any property involved in the offense and any property traceable thereto.

“(B) Procedure.—The seizure, restraint, and forfeiture of property under this paragraph
shall be governed by section 413 of the Controlled Substances Act (21 U.S.C. 853).

(2) CIVIL FORFEITURE.—

(A) In General.—Any property involved in a violation of subsection (a) or (b), or a conspiracy to commit such violation, and any property traceable thereto may be seized and forfeited to the United States.

(B) Procedure.—Seizures and forfeitures under this paragraph shall be governed by the provisions of chapter 46 of title 18, relating to civil forfeitures, except that such duties, under the customs laws described in section 981(d) of title 18, given to the Secretary of the Treasury shall be performed by such officers, agents, and other persons as may be designated for that purpose by the Secretary of Homeland Security or the Attorney General.

(e) Definitions.—In this section—

(1) the term 'financial institution' has the meaning given the term in section 5312(a)(2) of this title; and

(2) the term 'monetary transaction' means the deposit, withdrawal, transfer, or exchange, in or affecting interstate or foreign commerce, of funds or
a monetary instrument (as defined in section 1956(c)(5) of title 18) by, through, or to a financial institution (as defined in section 1956(c)(6) of title 18)—

"(A) including any transaction that would be a financial transaction under section 1956(c)(4)(B) of title 18; and

"(B) not including any transaction necessary to preserve a person's right to representation as guaranteed by the Sixth Amendment to the Constitution of the United States.

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

"5334. Prohibition on concealment of the source of assets in monetary transactions."

SEC. 19. RULE OF CONSTRUCTION.

Nothing in this Act, or any amendment made by this Act, shall be construed to apply to the authorized law enforcement, protective, or intelligence activities of the United States or of an intelligence agency of the United States.
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

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

Sec. 1. Short title; table of contents.
Sec. 2. Transportation or transhipment of blank checks in bearer form.
Sec. 3. Bulk cash smuggling.
Sec. 4. Section 1957 violations involving commingled funds and aggregated transactions.
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. 2. TRANSPORTATION OR TRANSHIPMENT OF BLANK CHECKS IN BEARER FORM.

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

“(e) MONETARY INSTRUMENTS WITH AMOUNT LEFT BLANK.—For purposes of this section, a monetary instrument in bearer form that has the amount left blank, such that the amount could be filled in by the bearer, shall be considered to have a value of more than $10,000 if the instrument was drawn on an account that contained, or was intended to contain more than $10,000 at the time—
“(1) the instrument was transported; or
“(2) the instrument was negotiated or was int-
tended to be negotiated.”.

SEC. 3. BULK CASH SMUGGLING.

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

(1) in paragraph (1), by striking “5 years” and
inserting “10 years”;
(2) by redesignating paragraphs (2), (3), and
(4), as paragraphs (3), (4), and (5), respectively;
(3) by inserting after paragraph (1) the fol-
lowing:
“(2) FINE.—
“(A) IN GENERAL.—Whoever violates this
section shall be fined under title 18.
“(B) ENHANCED FINE FOR AGGRAVATED
CASES.—Whoever violates this section while vio-
lating another law of the United States, other
than section 5316 or 5324(c) of this title, or as
a part of a pattern of any unlawful activity, in-
cluding a violation of section 5316 or 5324(c) of
this title, shall be fined double the amount pro-
vided in subsection (b)(3) or (c)(3) (as applica-
ble) of section 3571 of title 18.”; and
(4) in paragraph (5), as redesignated, by striking “paragraph (2)” and inserting “paragraph (3)”.

SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMINGLED FUNDS AND AGGREGATED TRANSACTIONS.

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

“(g) In a prosecution for an offense under this section, the Government may satisfy the $10,000 monetary transaction value requirement under subsection (a) by showing that—

“(1) the monetary transaction involved the transfer, withdrawal, encumbrance, or other disposition of more than $10,000 from an account in which more than $10,000 in proceeds of specified unlawful activity was commingled with other funds; or

“(2) the defendant conducted a series of monetary transactions in amounts of not more than $10,000 that—

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

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

“(i) the time period between the transactions;
“(ii) the identity of the parties involved;

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

“(iv) the manner in which the transactions were conducted.”.

SEC. 5. CHARGING MONEY LAUNDERING AS A COURSE OF CONDUCT.

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

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

and

(2) by adding at the end the following:

“(j) MULTIPLE VIOLATIONS.—Multiple violations of this section that are part of the same scheme or continuing course of conduct may be charged, at the election of the Government, in a single count in an indictment or information.”.

SEC. 6. ILLEGAL MONEY SERVICES BUSINESSES.

(a) In General.—Section 1960 of title 18, United States Code, is amended by striking subsections (a) and (b) and inserting the following:
“(a) **OFFENSE.**—Whoever knowingly conducts, controls, manages, supervises, directs, or owns all or part of a covered money services business that—

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

“(2) fails to comply with the money services business registration requirements under section 5330 of title 31, or regulations prescribed under that section, whether or not the person knows that the operation is required to comply with those registration requirements; or

“(3) otherwise engages in a transaction involving funds that the person knows have been derived from a criminal offense or are intended to be used to promote or support unlawful activity,

shall be punished as provided in subsection (b).

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

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

“(2) subsection (a) by conducting, controlling, managing, supervising, directing, or owning all or
part of a covered money services business that engaged in activity as a covered money services business involving more than $1,000,000 during a 12-month period, or by engaging in a transaction or transactions involving more than $1,000,000 during a 12-month period, shall be fined double the amount provided in subsection (b)(3) or (c)(3) (as applicable) of section 3571, imprisoned for not more than 10 years, or both.

“(c) DEFINITIONS.—In this section—

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

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

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

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

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

“(B) includes a person that engages in the transfer, transportation, or exchange of currency, funds, or value that substitutes for currency 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 “services”;
(ii) in subsection (c)—

(I) in the subsection heading, by striking “TRANSMITTING” and inserting “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 paragraph heading, by striking “TRANSMITTING” 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  

(ii) in subsection (a)(3), by striking “money transmitting businesses” and inserting “a money services business”.

(C) Table of Sections.—The table of sections for subchapter II of chapter 53 of title 31,
United States Code, is amended by striking the item relating to section 5330 and inserting the following:

“5330. Registration of money services businesses.”.

SEC. 7. PROHIBITING MONEY LAUNDERING THROUGH HAWALAS, OTHER INFORMAL VALUE TRANSFER SYSTEMS, AND CLOSELY RELATED TRANSACTIONS.

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

SEC. 8. TECHNICAL AMENDMENT TO RESTORE WIRETAP AUTHORITY FOR CERTAIN MONEY LAUNDERING AND COUNTERFEITING OFFENSES.

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

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

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

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

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

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

(2) by adding at the end the following:

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

SEC. 10. CONDUCT IN AID OF COUNTERFEITING.

(a) In General.—Section 474(a) of title 18, United States Code, is amended by inserting after the paragraph beginning “Whoever has in his control, custody, or possession any plate” the following:

“Whoever, with intent to defraud, has custody, control, or possession of any material, tool, machinery, or other equipment that can be used to make, alter, forge, or counterfeit any obligation or other security of the United States
or any part of such obligation or security, except under the
authority of the Secretary of the Treasury; or”.

(b) FOREIGN OBLIGATIONS AND SECURITIES.—Section
481 of title 18, United States Code, is amended by inserting
after the paragraph beginning “Whoever, with intent to de-

fraud” the following:

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

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

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

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

(2) in subsection (b)—

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

(B) by striking “any essentially identical
feature or device adapted to the making of any
such obligation or security,” and inserting “any
material or other thing made after or in similitude of any such deterrent,”; and

(3) by adding at the end the following:

“(d) Whoever has in his control, custody, or possession any obligation or security of the United States or any foreign government from which the ink or other distinctive counterfeit deterrent has been completely or partially removed, except under the authority of the Secretary of the Treasury, is guilty of a class B felony.”.

SEC. 11. DANGER PAY ALLOWANCE.


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

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

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

(2) by striking “federally insured”.

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SEC. 13. REMITTANCES AND MONEY LAUNDERING THREAT

ANALYSIS.

(a) DEFINITIONS.—In this section—

(1) the term “appropriate congressional committees” means—

(A) the Committee on the Judiciary of the Senate;

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

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

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

(E) the Committee on the Judiciary of the House of Representatives;

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

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

(2) the term “drug kingpins, crime syndicates, and other persons”, with respect to the use of remittances to finance terrorism, narcotics trafficking, human trafficking, money laundering, and other forms of illicit financing, domestically or internationally, means any persons who—
(A) are connected to individuals and organizations associated with financing terrorism, narcotics trafficking, human trafficking, money laundering, and other forms of illicit financing, domestically or internationally; and

(B) have been designated as—

(i) a significant foreign narcotics trafficker under the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901 et seq.);  

(ii) a significant transnational criminal organization under Executive Order 13581 (76 Fed. Reg. 44757, 84 Fed. Reg. 10255; relating to blocking property of transnational criminal organizations); or  


(3) the term “human trafficking” has the meaning given the term “severe forms of trafficking in persons” in section 103 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7102);
(4) the term “money services business” has the meaning given the term in section 5330 of title 31, United States Code, as amended by section 6(b)(2); and

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

(b) ANALYSIS.—

(1) REQUIREMENT.—Not later than 1 year after the date of the enactment of this Act, 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 threat and operational analysis of the use of remittances by drug kingpins, crime syndicates, and other persons to finance terrorism, narcotics trafficking, human trafficking, money laundering, and other forms of illicit financing, domestically or internationally.

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

(A) Current and potential threats posed by individuals and organized groups seeking—
(i) to exploit security vulnerabilities with respect to remittances and money transmitting services; or

(ii) to unlawfully use remittances to finance terrorism, narcotics trafficking, human trafficking, money laundering, or other forms of illicit financing, domestically or internationally.

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

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

(D) Improvements needed to enhance cooperation between and among Federal, State, and local officials, including State regulators, State and local prosecutors, and other law enforcement officials.

(E) Improvements needed to enhance cooperation between money services businesses and Federal, State, and local officials, including State regulators, State and local prosecutors, and other law enforcement officials.

(3) ANALYSIS REQUIREMENTS.—In compiling 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
emphasis on efforts to mitigate threats and challenges identified in the analysis.

(B) Efforts to reduce the use of remittances and money transmitting services by drug king-pins, crime syndicates, and other persons to finance terrorism, narcotics trafficking, human trafficking, money laundering, and other forms of illicit financing, domestically or internationally.

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

(D) Efforts to focus collection and information analysis to disrupt transnational criminal organizations attempting to exploit security vulnerabilities, and standards against which the effectiveness of those efforts may be determined.

(E) Personnel, technology, and infrastructure needs of Federal law enforcement agencies.

(F) Efforts to prevent, detect, investigate, and mitigate money laundering activities through remittances and money transmitting
services, and standards against which the effectiveness of those efforts may be determined.

(G) The lawful use of remittances, the role that remittances play in countries’ economies, and how any recommended measures would impose additional burdens on remittances in light of their lawful uses.

SEC. 14. RULE OF CONSTRUCTION.

Nothing in this Act, or any amendment made by this Act, shall be construed to apply to the authorized law enforcement, protective, or intelligence activities of the United States or of an intelligence agency of the United States.
A BILL

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116TH CONGRESS

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

JULY 23, 2019

Reported with an amendment

Date: 7/23/2019