

116TH CONGRESS
1ST SESSION

S. 1592

To amend title 31, United States Code, to provide a safe harbor for financial institutions that maintain a customer account or customer transaction at the request of a Federal or State law enforcement agency, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 22, 2019

Mr. COTTON (for himself and Mr. JONES) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend title 31, United States Code, to provide a safe harbor for financial institutions that maintain a customer account or customer transaction at the request of a Federal or State law enforcement agency, 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.**

4 This Act may be cited as the “Cooperate with Law
5 Enforcement Agencies and Watch Act of 2019”.

1 **SEC. 2. SAFE HARBOR WITH RESPECT TO KEEP OPEN LET-**
2 **TERS.**

3 (a) IN GENERAL.—

4 (1) AMENDMENT TO TITLE 31.—Subchapter II
5 of chapter 53 of title 31, United States Code, is
6 amended by adding at the end the following:

7 **“§ 5333. Safe harbor with respect to keep open letters**

8 “(a) IN GENERAL.—With respect to a customer ac-
9 count or customer transaction of a financial institution,
10 if a Federal, State, Tribal, or local law enforcement agen-
11 cy requests, in writing, the financial institution to keep
12 that account or transaction open—

13 “(1) the financial institution shall not be liable
14 under this subchapter for maintaining that account
15 or transaction consistent with the parameters of the
16 request; and

17 “(2) no Federal or State department or agency
18 may take any adverse supervisory action under this
19 subchapter with respect to the financial institution
20 for maintaining that account or transaction con-
21 sistent with the parameters of the request.

22 “(b) RULE OF CONSTRUCTION.—Nothing in this sec-
23 tion may be construed—

24 “(1) from preventing a Federal or State depart-
25 ment or agency from verifying the validity of a writ-
26 ten request described in subsection (a) with the Fed-

1 eral, State, Tribal, or local law enforcement agency
2 making that written request; or

3 “(2) to relieve a financial institution from com-
4 plying with any reporting requirements, including
5 the reporting of suspicious transactions under sec-
6 tion 5318(g).

7 “(c) LETTER TERMINATION DATE.—For the pur-
8 poses of this section, any written request described in sub-
9 section (a) shall include a termination date after which
10 that request shall no longer apply.”.

11 (2) AMENDMENT TO PUBLIC LAW 91–508.—
12 Chapter 2 of title I of Public Law 91–508 (12
13 U.S.C. 1951 et seq.) is amended by adding at the
14 end the following:

15 **“§ 130. Safe harbor with respect to keep open letters**

16 “(a) DEFINITION.—In this section, the term ‘finan-
17 cial institution’ has the meaning given the term in section
18 123(b).

19 “(b) SAFE HARBOR.—With respect to a customer ac-
20 count or customer transaction of a financial institution,
21 if a Federal, State, Tribal, or local law enforcement agen-
22 cy requests, in writing, the financial institution to keep
23 that account or transaction open—

24 “(1) the financial institution shall not be liable
25 under this chapter for maintaining that account or

1 transaction consistent with the parameters of the re-
2 quest; and

3 “(2) no Federal or State department or agency
4 may take any adverse supervisory action under this
5 chapter with respect to the financial institution for
6 maintaining that account or transaction consistent
7 with the parameters of the request.

8 “(c) RULE OF CONSTRUCTION.—Nothing in this sec-
9 tion may be construed—

10 “(1) from preventing a Federal or State depart-
11 ment or agency from verifying the validity of a writ-
12 ten request described in subsection (b) with the Fed-
13 eral, State, Tribal, or local law enforcement agency
14 making that written request; or

15 “(2) to relieve a financial institution from com-
16 plying with any reporting requirements, including
17 the reporting of suspicious transactions under sec-
18 tion 5318(g) of title 31, United States Code.

19 “(d) LETTER TERMINATION DATE.—For the pur-
20 poses of this section, any written request described in sub-
21 section (b) shall include a termination date after which
22 that request shall no longer apply.”.

23 (b) CLERICAL AMENDMENTS.—

24 (1) TITLE 31.—The table of contents for chap-
25 ter 53 of title 31, United States Code, is amended

1 by inserting after the item relating to section 5332
2 the following:

“5333. Safe harbor with respect to keep open letters.”.

3 (2) PUBLIC LAW 91–508.—The table of contents
4 for chapter 2 of title I of Public Law 91–508 (12
5 U.S.C. 1951 et seq.) is amended by adding at the
6 end the following:

“130. Safe harbor with respect to keep open letters.”.

7 **SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.**

8 The budgetary effects of this Act, for the purpose of
9 complying with the Statutory Pay-As-You-Go Act of 2010,
10 shall be determined by reference to the latest statement
11 titled “Budgetary Effects of PAYGO Legislation” for this
12 Act, submitted for printing in the Congressional Record
13 by the Chairman of the House Budget Committee, pro-
14 vided that such statement has been submitted prior to the
15 vote on passage.

○