

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

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”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 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 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.

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

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

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

1 **SEC. 3. BULK CASH SMUGGLING.**

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

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

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

8 (3) by inserting after paragraph (1) the fol-
9 lowing:

10 “(2) FINE.—

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

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

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

1 **SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMINGLED FUNDS AND AGGREGATED TRANSACTIONS.**
2
3

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

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

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

15 “(2) the defendant conducted a series of monetary
16 transactions in amounts of not more than
17 \$10,000 that—

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

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

22 “(i) the time period between the
23 transactions;

24 “(ii) the identity of the parties involved;
25

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

3 “(iv) the manner in which the trans-
4 actions were conducted.”.

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

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

9 (1) in subsection (h), by striking “or section
10 1957” and inserting “, section 1957, or section
11 1960”; and

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

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

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

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

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

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

7 “(2) fails to comply with the money services
8 business registration requirements under section
9 5330 of title 31, or regulations prescribed under
10 that section, whether or not the person knows that
11 the operation is required to comply with those reg-
12 istration requirements; or

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

18 “(b) CRIMINAL PENALTY.—Any person who vio-
19 lates—

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

23 “(2) subsection (a) by conducting, controlling,
24 managing, supervising, directing, or owning all or
25 part of a covered money services business that en-

1 gaged in activity as a covered money services busi-
2 ness involving more than \$1,000,000 during a 12-
3 month period, or by engaging in a transaction or
4 transactions involving more than \$1,000,000 during
5 a 12-month period, shall be fined double the amount
6 provided in subsection (b)(3) or (c)(3) (as applica-
7 ble) of section 3571, imprisoned for not more than
8 10 years, or both.

9 “(c) DEFINITIONS.—In this section—

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

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

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

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

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

19 “(B) includes a person that engages in the
20 transfer, transportation, or exchange of cur-
21 rency, funds, or value that substitutes for cur-
22 rency by any and all means, even when not per-
23 formed for profit; and

24 “(3) the term ‘State’ means any State of the
25 United States, the District of Columbia, the North-

ern 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)—

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

4 (II) in paragraph (1), in the
5 paragraph heading, by striking
6 “TRANSMITTING” and inserting
7 “SERVICES”; and

8 (III) in paragraph (2), in the
9 paragraph heading, by striking
10 “TRANSMITTING” and inserting
11 “SERVICES”; and

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

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

17 (i) by striking “money transmitting
18 business” each place that term appears
19 and inserting “money services business”;
20 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
25 sections for subchapter II of chapter 53 of title

1 31, United States Code, is amended by striking
2 the item relating to section 5330 and inserting
3 the following:

“5330. Registration of money services businesses.”.

4 **SEC. 7. CONCEALMENT MONEY LAUNDERING.**

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

7 (1) in paragraph (1)(B), by striking “knowing
8 that” and all that follows through “Federal law,”
9 and inserting the following:

10 “(B) knowing that the transaction—

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

15 “(ii) avoids, or is intended to avoid, a
16 transaction reporting requirement under State
17 or Federal law,”; and

18 (2) in paragraph (2)(B), by striking “knowing
19 that” and all that follows through “Federal law,”
20 and inserting the following:

21 “(B) knowing that—

22 “(i) the monetary instrument or funds in-
23 volved in the transportation, transmission, or
24 transfer represent the proceeds of some form of
25 unlawful activity; and

1 “(ii) the transportation, transmission, or
2 transfer—

3 “(I) conceals or disguises, or is in-
4 tended to conceal or disguise, the nature,
5 source, location, ownership, or control of
6 the proceeds of some form of unlawful ac-
7 tivity; or

8 “(II) avoids, or is intended to avoid, a
9 transaction reporting requirement under
10 State or Federal law,”.

11 **SEC. 8. FREEZING BANK ACCOUNTS OF PERSONS AR-**
12 **RESTED FOR OFFENSES INVOLVING THE**
13 **MOVEMENT OF MONEY ACROSS INTER-**
14 **NATIONAL BORDERS.**

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

17 “(5)(A) If a person is arrested or charged in connec-
18 tion with an offense described in subparagraph (C) involv-
19 ing the movement of funds into or out of the United
20 States, the Attorney General may apply to any Federal
21 judge or magistrate judge in the district in which the ar-
22 rest is made or the charges are filed for an ex parte order
23 restraining any account held by the person arrested or
24 charged for not more than 30 days, except that such 30-
25 day time period may be extended for good cause shown

1 at a hearing conducted in the manner provided in Rule
2 43(c) of the Federal Rules of Civil Procedure. The court
3 may receive and consider evidence and information sub-
4 mitted by the Government that would be inadmissible
5 under the Federal Rules of Evidence.

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

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

10 “(ii) identify the location and description of the
11 accounts to be restrained; and

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

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

24 “(i) this title;

25 “(ii) title 31; or

1 “(iii) the Controlled Substances Act (21 U.S.C.
2 801 et seq.).

3 “(D) For purposes of this paragraph—

4 “(i) the term ‘account’ includes any safe deposit
5 box and any account (as defined in paragraphs (1)
6 and (2) of section 5318A(e) of title 31) at any fi-
7 nancial institution; and

8 “(ii) the term ‘account held by the person ar-
9 rested or charged’ includes an account held in the
10 name of that person, and any account over which
11 that person has effective control as a signatory or
12 otherwise.

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

15 “(F) A restraining order issued under this paragraph
16 may be executed in any district in which the subject ac-
17 count is found, or transmitted to the central authority of
18 any foreign State for service in accordance with any treaty
19 or other international agreement.”.

20 **SEC. 9. PROHIBITING MONEY LAUNDERING THROUGH**
21 **HAWALAS, OTHER INFORMAL VALUE TRANS-**
22 **FER SYSTEMS, AND CLOSELY RELATED**
23 **TRANSACTIONS.**

24 The matter following section 1956(a)(1)(B)(ii) of
25 title 18, United States Code, is amended by striking “For

1 purposes of this paragraph, a financial transaction” and
2 inserting “For purposes of this paragraph and section
3 1957, a financial transaction or a monetary transaction,
4 as applicable,”.

5 **SEC. 10. TECHNICAL AMENDMENT TO RESTORE WIRETAP**
6 **AUTHORITY FOR CERTAIN MONEY LAUN-**
7 **DERING AND COUNTERFEITING OFFENSES.**

8 (a) CURRENCY REPORTING OFFENSES.—Section
9 2516(1)(g) of title 18, United States Code, is amended
10 by striking “or section 5324 of title 31, United States
11 Code (relating to structuring transactions to evade report-
12 ing requirement prohibited)” and inserting “or section
13 5324, 5331, or 5332 of that title (relating to evasion of
14 Federal transaction reporting requirements)”.

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

19 (c) COUNTERFEITING.—Section 2516(1)(d) of title
20 18, United States Code, is amended by striking “or 473”
21 and inserting “473, 474, or 474A”.

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

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

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

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

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

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

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

12 “Whoever, with intent to defraud, has custody, con-
13 trol, or possession of any material, tool, machinery, or
14 other equipment that can be used to make, alter, forge,
15 or counterfeit any obligation or other security of the
16 United States or any part of such obligation or security,
17 except under the authority of the Secretary of the Treas-
18 ury; or”.

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

23 “Whoever, with intent to defraud, has custody, con-
24 trol, or possession of any material, tool, machinery, or
25 other equipment that can be used to make, alter, forge,

1 or counterfeit any obligation or other security of any for-
2 eign government, bank, or corporation; or”.

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

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

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

11 (2) in subsection (b)—

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

14 (B) by striking “any essentially identical
15 feature or device adapted to the making of any
16 such obligation or security,” and inserting “any
17 material or other thing made after or in simili-
18 tude of any such deterrent,”; and

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

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

1 **SEC. 13. ADMINISTRATIVE SUBPOENAS FOR MONEY LAUN-**
2 **DERING CASES.**

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

5 (1) in paragraph (1)(A)—

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

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

9 (C) in clause (iii)—

10 (i) by striking “section 3056” and in-
11 serting “section 3056(a)”; and

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

14 (D) by inserting after clause (iii) the fol-
15 lowing:

16 “(iv) an offense under section 1956,
17 1957, or 1960 of this title, or section
18 5313, 5316, 5324, 5331, or 5332 of title
19 31, or an offense against a foreign nation
20 constituting specified unlawful activity
21 under section 1956 of this title, or a crimi-
22 nal or civil forfeiture based upon an of-
23 fense enumerated in this subparagraph or
24 for which enforcement could be brought
25 under section 2467 of title 28, the Attor-
26 ney General, the Secretary of Homeland

1 Security, or the Secretary of the Treas-
2 ury,”; and

3 (2) in paragraph (6)(B)—

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

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

8 (C) by adding at the end following:

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

13 **SEC. 14. OBTAINING FOREIGN BANK RECORDS FROM**
14 **BANKS WITH UNITED STATES CORRESPON-**
15 **DENT ACCOUNTS.**

16 (a) GRAND JURY AND TRIAL SUBPOENAS.—Section
17 5318(k) of title 31, United States Code, is amended—

18 (1) in paragraph (1)—

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

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

23 “(B) COVERED FINANCIAL INSTITUTION.—

24 The term ‘covered financial institution’ means

1 an institution referred to in subsection (j)(1).”;
2 and

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

5 “(3) FOREIGN BANK RECORDS.—

6 “(A) SUBPOENA OF RECORDS.—

7 “(i) IN GENERAL.—Notwithstanding
8 subsection (b), the Secretary of the Treas-
9 ury or the Attorney General may issue a
10 subpoena to any foreign bank that main-
11 tains a correspondent account in the
12 United States and request any records re-
13 lating to the correspondent account or any
14 account at the foreign bank, including
15 records maintained outside of the United
16 States, that are the subject of any—

17 “(I) investigation of a violation of
18 a criminal law of the United States;

19 or

20 “(II) civil forfeiture action.

21 “(ii) PRODUCTION OF RECORDS.—The
22 foreign bank on which a subpoena de-
23 scribed in clause (i) is served shall produce
24 all requested records and authenticate all

1 requested records with testimony in the
2 manner described in—

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

5 “(II) section 3505 of title 18.

6 “(iii) ISSUANCE AND SERVICE OF SUB-
7 POENA.—A subpoena described in clause
8 (i)—

9 “(I) shall designate—

10 “(aa) a return date; and

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

14 “(II) may be served—

15 “(aa) in person;

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

20 “(cc) in a foreign country
21 under any mutual legal assist-
22 ance treaty, multilateral agree-
23 ment, or other request for inter-
24 national legal or law enforcement
25 assistance.

1 “(iv) RELIEF FROM SUBPOENA.—

2 “(I) IN GENERAL.—At any time
3 before the return date of the subpoena
4 described in clause (i), the foreign
5 bank on which the subpoena is served
6 may petition the district court of the
7 United States for the judicial district
8 in which the related investigation is
9 proceeding, as designated in the sub-
10 poena, to modify or quash—

11 “(aa) the subpoena; or

12 “(bb) the prohibition against
13 disclosure described in subpara-
14 graph (C).

15 “(II) CONFLICT WITH FOREIGN
16 SECRECY OR CONFIDENTIALITY.—An
17 assertion that compliance with the
18 subpoena would conflict with a provi-
19 sion of foreign secrecy or confiden-
20 tiality law shall not be a basis for
21 quashing or modifying the subpoena.

22 “(B) ACCEPTANCE OF SERVICE.—

23 “(i) MAINTAINING RECORDS IN THE
24 UNITED STATES.—Any covered financial
25 institution that maintains a correspondent

1 account in the United States for a foreign
2 bank shall maintain records in the United
3 States identifying—

4 “(I) the owners of such foreign
5 bank; and

6 “(II) the name and address of a
7 person who—

8 “(aa) resides in the United
9 States; and

10 “(bb) is authorized to accept
11 service of legal process for
12 records covered under this sub-
13 section.

14 “(ii) LAW ENFORCEMENT REQUEST.—
15 Upon receipt of a written request from a
16 Federal law enforcement officer for infor-
17 mation required to be maintained under
18 this paragraph, a covered financial institu-
19 tion shall provide the information to the
20 requesting officer not later than 7 days
21 after receipt of the request.

22 “(C) NONDISCLOSURE OF SUBPOENA.—

23 “(i) IN GENERAL.—No officer, direc-
24 tor, partner, employee, or shareholder of,
25 or agent or attorney for, a foreign bank on

1 which a subpoena is served under this
2 paragraph shall, directly or indirectly, no-
3 tify any account holder involved or any
4 person named in the subpoena issued
5 under subparagraph (A)(i) and served on
6 such an institution about the existence or
7 contents of such subpoena.

8 “(ii) DAMAGES.—Upon application by
9 the Attorney General for a violation of this
10 subparagraph, a foreign bank on which a
11 subpoena is served under this paragraph
12 shall be liable to the United States Govern-
13 ment for a civil penalty in an amount
14 equal to—

15 “(I) double the amount of the
16 suspected criminal proceeds sent
17 through the correspondent account of
18 the foreign bank in the related inves-
19 tigation; or

20 “(II) if no such proceeds can be
21 identified, \$250,000.

22 “(D) ENFORCEMENT.—

23 “(i) IN GENERAL.—If a foreign bank
24 fails to obey a subpoena issued under sub-
25 paragraph (A)(i), the Attorney General

1 may invoke the aid of the district court of
2 the United States for the judicial district
3 in which the investigation or related pro-
4 ceeding is occurring to compel compliance
5 with the subpoena.

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

8 “(I) issue an order requiring the
9 foreign bank to appear before the Sec-
10 retary of the Treasury or the Attorney
11 General to produce—

12 “(aa) certified records, in
13 accordance with—

14 “(AA) rule 902(12) of
15 the Federal Rules of Evi-
16 dence; or

17 “(BB) section 3505 of
18 title 18; or

19 “(bb) testimony regarding
20 the production of such records;
21 and

22 “(II) punish any failure to obey
23 an order issued under subclause (I) as
24 contempt of court.

1 “(iii) SERVICE OF PROCESS.—All
2 process in a case under this subparagraph
3 shall be served on the foreign bank in the
4 same manner as described in subparagraph
5 (A)(iii).

6 “(E) TERMINATION OF CORRESPONDENT
7 RELATIONSHIP.—

8 “(i) TERMINATION UPON RECEIPT OF
9 NOTICE.—A covered financial institution
10 shall terminate any correspondent relation-
11 ship with a foreign bank not later than 10
12 business days after the date on which the
13 covered financial institution receives writ-
14 ten notice from the Secretary of the Treas-
15 ury or the Attorney General if, after con-
16 sultation with the other, the Secretary of
17 the Treasury or Attorney General, as ap-
18 plicable, determines that the foreign bank
19 has failed—

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

22 “(II) to prevail in proceedings be-
23 fore—

24 “(aa) the appropriate dis-
25 trict court of the United States

1 after challenging such a sub-
2 poena under subparagraph
3 (A)(iv)(I); or

4 “(bb) a court of appeals of
5 the United States after appealing
6 a decision of a district court of
7 the United States under item
8 (aa).

9 “(ii) LIMITATION ON LIABILITY.—A
10 covered financial institution shall not be
11 liable to any person in any court or arbi-
12 tration proceeding for terminating a cor-
13 respondent relationship under this sub-
14 paragraph or complying with a nondisclo-
15 sure order under subparagraph (C).

16 “(iii) FAILURE TO TERMINATE RELA-
17 TIONSHIP.—A covered financial institution
18 that fails to terminate a correspondent re-
19 lationship under clause (i) shall be liable
20 for a civil penalty in an amount that is not
21 more than \$10,000 for each day that the
22 covered financial institution fails to termi-
23 nate the relationship.

24 “(F) ENFORCEMENT OF CIVIL PEN-
25 ALTIES.—Upon application by the United

1 States, any funds held in the correspondent ac-
2 count of a foreign bank that is maintained in
3 the United States with a covered financial insti-
4 tution may be seized by the United States to
5 satisfy any civil penalties that are imposed—

6 “(i) under subparagraph (C)(ii); or

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

9 (b) FAIR CREDIT REPORTING ACT AMENDMENT.—

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

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

13 (2) by inserting “, or a subpoena issued in ac-
14 cordance with section 5318 of title 31, United States
15 Code, or section 3486 of title 18, United States
16 Code” after “grand jury”.

17 (c) OBSTRUCTION OF JUSTICE.—Section

18 1510(b)(3)(B) of title 18, United States Code, is amend-
19 ed—

20 (1) in the matter preceding clause (i), by strik-
21 ing “or a Department of Justice subpoena (issued
22 under section 3486 of title 18)” and inserting “, a
23 subpoena issued under section 3486 of this title, or
24 an order or subpoena issued in accordance with sec-

1 tion 3512 of this title, section 5318 of title 31, or
2 section 1782 of title 28,”; and

3 (2) in clause (i) by inserting “, 1960, or an of-
4 fense against a foreign nation constituting specified
5 unlawful activity under section 1956, or a foreign of-
6 fense for which enforcement of a foreign forfeiture
7 judgment could be brought under section 2467 of
8 title 28” after “1957”.

9 (d) RIGHT TO FINANCIAL PRIVACY ACT.—Section
10 1120(b)(1)(A) of the Right to Financial Privacy Act of
11 1978 (12 U.S.C. 3420(b)(1)(A)) is amended—

12 (1) by striking “or 1957” and inserting “,
13 1957, or 1960”; and

14 (2) by striking “and 5324” and inserting “,
15 5322, 5324, 5331, and 5332”.

16 **SEC. 15. DANGER PAY ALLOWANCE.**

17 Section 151 of the Foreign Relations Authorization
18 Act, Fiscal Years 1990 and 1991 (5 U.S.C. 5928 note)
19 is amended by striking “Drug Enforcement Administra-
20 tion or Federal Bureau of Investigation” and inserting
21 “Drug Enforcement Administration, the Federal Bureau
22 of Investigation, U.S. Immigration and Customs Enforce-
23 ment, U.S. Customs and Border Protection, or the United
24 States Secret Service”.

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

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

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

7 (2) by striking “federally insured”.

8 **SEC. 17. PROHIBITION ON CONCEALMENT OF OWNERSHIP**
9 **OF ACCOUNT.**

10 (a) **IN GENERAL.**—Subchapter II of chapter 53 of
11 title 31, United States Code, is amended by adding at the
12 end the following:

13 **“§ 5333. Prohibition on concealment of ownership of**
14 **account**

15 “(a) **IN GENERAL.**—No person shall knowingly con-
16 ceal, falsify, or misrepresent, or attempt to conceal, falsify,
17 or misrepresent, from or to a financial institution, a mate-
18 rial fact concerning the ownership or control of an account
19 or assets held in an account with a financial institution.

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

24 “(c) **FORFEITURE.**—

25 “(1) **CRIMINAL FORFEITURE.**—

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

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

11 “(2) CIVIL FORFEITURE.—

12 “(A) IN GENERAL.—Any property involved
13 in a violation of subsection (a), or a conspiracy
14 to commit such violation, and any property
15 traceable thereto may be seized and forfeited to
16 the United States.

17 “(B) PROCEDURE.—Seizures and forfeit-
18 ures under this paragraph shall be governed by
19 the provisions of chapter 46 of title 18 relating
20 to civil forfeitures, except that such duties,
21 under customs laws described in section 981(d)
22 of title 18, given to the Secretary of the Treas-
23 ury shall be performed by such officers, agents,
24 and other persons as designated by the Sec-

1 retary of Homeland Security or the Attorney
2 General.

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

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

12 “(1) implement a customer identification pro-
13 gram under this title, or the regulations promul-
14 gated under this title; or

15 “(2) conduct customer due diligence under this
16 title, or the regulations promulgated under this
17 title.”.

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

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

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

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

1 **“§ 5334. Prohibition on concealment of the source of**
2 **assets in monetary transactions**

3 “(a) IN GENERAL.—No person shall knowingly con-
4 ceal, falsify, or misrepresent, or attempt to conceal, falsify,
5 or misrepresent, from or to a financial institution, a mate-
6 rial fact concerning the ownership or control of assets in-
7 volved in a monetary transaction if—

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

14 “(2) the aggregate value of the assets involved
15 in one or more such transactions is not less than
16 \$1,000,000.

17 “(b) SOURCE OF FUNDS.—No person shall knowingly
18 conceal, falsify, or misrepresent, or attempt to conceal, fal-
19 sify, or misrepresent, from or to a financial institution,
20 a material fact concerning the source of funds in a mone-
21 tary transaction that—

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

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

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

8 “(d) FORFEITURE.—

9 “(1) CRIMINAL FORFEITURE.—

10 “(A) IN GENERAL.—The court, in impos-
11 ing sentence under subsection (c), shall order
12 that the defendant forfeit to the United States
13 any property involved in the offense and any
14 property traceable thereto.

15 “(B) PROCEDURE.—The seizure, restraint,
16 and forfeiture of property under this paragraph
17 shall be governed by section 413 of the Con-
18 trolled Substances Act (21 U.S.C. 853).

19 “(2) CIVIL FORFEITURE.—

20 “(A) IN GENERAL.—Any property involved
21 in a violation of subsection (a) or (b), or a con-
22 spiracy to commit such violation, and any prop-
23 erty traceable thereto may be seized and for-
24 feited to 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 the customs laws described in section
6 981(d) of title 18, given to the Secretary of the
7 Treasury shall be performed by such officers,
8 agents, and other persons as may be designated
9 for that purpose by the Secretary of Homeland
10 Security or the Attorney General.

11 “(e) DEFINITIONS.—In this section—

12 “(1) the term ‘financial institution’ has the
13 meaning given the term in section 5312(a)(2) of this
14 title; and

15 “(2) the term ‘monetary transaction’ means the
16 deposit, withdrawal, transfer, or exchange, in or af-
17 fecting interstate or foreign commerce, of funds or
18 a monetary instrument (as defined in section
19 1956(c)(5) of title 18) by, through, or to a financial
20 institution (as defined in section 1956(c)(6) of title
21 18)—

22 “(A) including any transaction that would
23 be a financial transaction under section
24 1956(c)(4)(B) of title 18; and

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

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

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

9 **SEC. 19. RULE OF CONSTRUCTION.**

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

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