

[DISCUSSION DRAFT]

October 2, 2001

107TH CONGRESS  
1ST SESSION

H. R. \_\_\_\_\_

IN THE HOUSE OF REPRESENTATIVES

Mr. OXLEY introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

A BILL

To combat the financing of terrorism and other financial  
crimes, 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 “Financial Anti-Terrorism Act of 2001”.

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

Sec. 1. Short title; table of contents.



## TITLE I—STRENGTHENING LAW ENFORCEMENT

- Sec. 101. Bulk cash smuggling into or out of the United States.
- Sec. 102. Forfeiture in currency reporting cases.
- Sec. 103. Interstate currency couriers.
- Sec. 104. Illegal money transmitting businesses.
- Sec. 105. Long-arm jurisdiction over foreign money launderers.
- Sec. 106. Laundering money through a foreign bank.
- Sec. 107. Specified unlawful activity for money laundering.
- Sec. 108. Laundering the proceeds of terrorism.
- Sec. 109. Violations of reporting requirements for nonfinancial trades and business.
- Sec. 110. Proceeds of foreign crimes.
- Sec. 111. Transfer of reporting requirements from section 6050I of the Internal Revenue Code of 1986 to title 31, United States Code.
- Sec. 112. Penalties for violations of geographic targeting orders and certain record keeping requirements.
- Sec. 113. Exclusion of aliens involved in money laundering.
- Sec. 114. Standing to contest forfeiture of funds deposited into foreign bank that has a correspondent account in the United States.
- Sec. 115. Subpoenas for records regarding funds in correspondent bank accounts.
- Sec. 116. Financial crimes enforcement network.
- Sec. 117. Customs service border searches.
- Sec. 118. Prohibition on false statements to financial institutions concerning the identity of a customer.
- Sec. 119. Verification of identification.

## TITLE II—PUBLIC-PRIVATE COOPERATION

- Sec. 201. Establishment of highly secure website.
- Sec. 202. Report on improvements in data access.
- Sec. 203. Reports to the financial services industry on suspicious financial activities.
- Sec. 204. Efficient use of currency transaction report system.
- Sec. 205. Public-Private Task Force on Terrorist Financing Issues.
- Sec. 206. Deadline for suspicious activity reporting requirements for registered brokers and dealers.
- Sec. 207. Amendments relating to reporting of suspicious activities.
- Sec. 208. Authorization to include suspicions of illegal activity in written employment references.

## TITLE III—COMBATTING INTERNATIONAL MONEY LAUNDERING

- Sec. 301. Special measures for jurisdictions, financial institutions, or international transactions of primary money laundering concern.
- Sec. 302. International cooperation in investigations of money laundering, financial crimes, and the finances of terrorist groups.
- Sec. 303. Prohibition on acceptance of any bank instrument for unlawful Internet gambling.
- Sec. 304. Internet gambling in or through foreign jurisdictions.

## TITLE IV—CURRENCY PROTECTION

- Sec. 401. Counterfeiting domestic currency and obligations.
- Sec. 402. Counterfeiting foreign currency and obligations.



Sec. 403. Production of documents.  
Sec. 404. Reimbursement.

1 **TITLE I—STRENGTHENING LAW**  
2 **ENFORCEMENT**

3 **SEC. 101. BULK CASH SMUGGLING INTO OR OUT OF THE**  
4 **UNITED STATES.**

5 (a) ENACTMENT OF BULK CASH SMUGGLING OF-  
6 FENSE.—Subchapter II of chapter 53 of title 31, United  
7 States Code, is amended by adding at the end the fol-  
8 lowing:

9 **“§ 5331. Bulk cash smuggling into or out of the**  
10 **United States**

11 “(a) CRIMINAL OFFENSE.—

12 “(1) IN GENERAL.—Whoever, with the intent to  
13 evade a currency reporting requirement under sec-  
14 tion 5316, knowingly conceals more than \$10,000 in  
15 currency or other monetary instruments on the per-  
16 son of such individual or in any conveyance, article  
17 of luggage, merchandise, or other container, and  
18 transports or transfers or attempts to transport or  
19 transfer such currency or monetary instruments  
20 from a place within the United States to a place out-  
21 side of the United States, or from a place outside  
22 the United States to a place within the United  
23 States, shall be guilty of a currency smuggling of-



1 fense and subject to punishment pursuant to sub-  
2 section (b).

3 “(2) CONCEALMENT ON PERSON.—For pur-  
4 poses of this section, the concealment of currency on  
5 the person of any individual includes concealment in  
6 any article of clothing worn by the individual or in  
7 any luggage, backpack, or other container worn or  
8 carried by such individual.

9 “(b) PENALTY.—

10 “(1) TERM OF IMPRISONMENT.—A person con-  
11 victed of a currency smuggling offense under sub-  
12 section (a), or a conspiracy to commit such offense,  
13 shall be imprisoned for not more than 5 years.

14 “(2) FORFEITURE.—In addition, the court, in  
15 imposing sentence under paragraph (1), shall order  
16 that the defendant forfeit to the United States, any  
17 property, real or personal, involved in the offense,  
18 and any property traceable to such property, subject  
19 to subsection (d) of this section.

20 “(3) PROCEDURE.—The seizure, restraint, and  
21 forfeiture of property under this section shall be gov-  
22 erned by section 413 of the Controlled Substances  
23 Act.

24 “(4) PERSONAL MONEY JUDGMENT.—If the  
25 property subject to forfeiture under paragraph (2) is



1       unavailable, and the defendant has insufficient sub-  
2       stitute property that may be forfeited pursuant to  
3       section 413(p) of the Controlled Substances Act, the  
4       court shall enter a personal money judgment against  
5       the defendant for the amount that would be subject  
6       to forfeiture.

7       “(c) CIVIL FORFEITURE.—

8               “(1) IN GENERAL.—Any property involved in a  
9       violation of subsection (a), or a conspiracy to com-  
10      mit such violation, and any property traceable to  
11      such violation or conspiracy, may be seized and, sub-  
12      ject to subsection (d) of this section, forfeited to the  
13      United States.

14              “(2) PROCEDURE.—The seizure and forfeiture  
15      shall be governed by the procedures governing civil  
16      forfeitures in money laundering cases pursuant to  
17      section 981(a)(1)(A) of title 18, United States Code.

18              “(3) TREATMENT OF CERTAIN PROPERTY AS  
19      INVOLVED IN THE OFFENSE.—For purposes of this  
20      subsection and subsection (b), any currency or other  
21      monetary instrument that is concealed or intended  
22      to be concealed in violation of subsection (a) or a  
23      conspiracy to commit such violation, any article, con-  
24      tainer, or conveyance used, or intended to be used,  
25      to conceal or transport the currency or other mone-



1 tary instrument, and any other property used, or in-  
2 tended to be used, to facilitate the offense, shall be  
3 considered property involved in the offense.

4 “(d) PROPORTIONALITY OF FORFEITURE.—

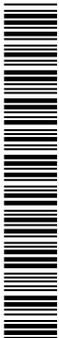
5 “(1) IN GENERAL.—Upon a showing by the  
6 property owner by a preponderance of the evidence  
7 that the currency or monetary instruments involved  
8 in the offense giving rise to the forfeiture were de-  
9 rived from a legitimate source, and were intended  
10 for a lawful purpose, the court shall reduce the for-  
11 feiture to the maximum amount that is not grossly  
12 disproportional to the gravity of the offense.

13 “(2) FACTORS TO BE CONSIDERED.—In deter-  
14 mining the amount of the forfeiture, the court shall  
15 consider all aggravating and mitigating facts and  
16 circumstances that have a bearing on the gravity of  
17 the offense, including the following:

18 “(A) The value of the currency or other  
19 monetary instruments involved in the offense.

20 “(B) Efforts by the person committing the  
21 offense to structure currency transactions, con-  
22 ceal property, or otherwise obstruct justice.

23 “(C) Whether the offense is part of a pat-  
24 tern of repeated violations of Federal law.”.



1 (b) CONFORMING AMENDMENT.—The table of sec-  
2 tions for subchapter II of chapter 53 of title 31, United  
3 States Code, is amended by inserting after the item relat-  
4 ing to section 5330, the following new item:

“5331. Bulk cash smuggling into or out of the United States.”.

5 **SEC. 102. FORFEITURE IN CURRENCY REPORTING CASES.**

6 (a) IN GENERAL.—Subsection (c) of section 5317 of  
7 title 31, United States Code, is amended to read as fol-  
8 lows:

9 “(c) FORFEITURE.—

10 “(1) IN GENERAL.—The court in imposing sen-  
11 tence for any violation of section 5313, 5316, or  
12 5324, or any conspiracy to commit such violation,  
13 shall order the defendant to forfeit all property, real  
14 or personal, involved in the offense and any property  
15 traceable thereto.

16 “(2) PROCEDURE.—Forfeitures under this sub-  
17 section shall be governed by the procedures estab-  
18 lished in section 413 of the Controlled Substances  
19 Act and the guidelines established in paragraph (4).

20 “(3) CIVIL FORFEITURE.—Any property in-  
21 volved in a violation of section 5313, 5316, or 5324,  
22 or any conspiracy to commit any such violation, and  
23 any property traceable to any such violation or con-  
24 spiracy, may be seized and, subject to paragraph  
25 (4), forfeited to the United States in accordance



1 with the procedures governing civil forfeitures in  
2 money laundering cases pursuant to section  
3 981(a)(1)(A) of title 18, United States Code.

4 “(4) PROPORTIONALITY OF FORFEITURE.—

5 “(A) IN GENERAL.—Upon a showing by  
6 the property owner by a preponderance of the  
7 evidence that any currency or monetary instru-  
8 ments involved in the offense giving rise to the  
9 forfeiture were derived from a legitimate source,  
10 and were intended for a lawful purpose, the  
11 court shall reduce the forfeiture to the max-  
12 imum amount that is not grossly dispropor-  
13 tional to the gravity of the offense.

14 “(B) FACTORS TO BE CONSIDERED.—In  
15 determining the amount of the forfeiture, the  
16 court shall consider all aggravating and miti-  
17 gating facts and circumstances that have a  
18 bearing on the gravity of the offense, including  
19 the following:

20 “(i) The value of the currency or  
21 other monetary instruments involved in the  
22 offense.

23 “(ii) Efforts by the person committing  
24 the offense to structure currency trans-



1 actions, conceal property, or otherwise ob-  
2 struct justice.

3 “(iii) Whether the offense is part of a  
4 pattern of repeated violations of Federal  
5 law.”.

6 (b) CONFORMING AMENDMENTS.—(1) Section  
7 981(a)(1)(A) of title 18, United States Code, is amended  
8 by striking “of section 5313(a) or 5324(a) of title 31, or”.

9 (2) Section 982(a)(1) of title 18, United States Code,  
10 is amended by striking “of 5313(a), 5316, or 5324 of title  
11 31, or”.

12 **SEC. 103. INTERSTATE CURRENCY COURIERS.**

13 Section 1957 of title 18, United States Code, is  
14 amended by adding at the end the following new sub-  
15 section:

16 “(g) Any person who conceals more than \$10,000 in  
17 currency on his or her person, in any vehicle, in any com-  
18 partment or container within any vehicle, or in any con-  
19 tainer placed in a common carrier, and transports, at-  
20 tempts to transport, or conspires to transport such cur-  
21 rency in interstate commerce on any public road or high-  
22 way or on any bus, train, airplane, vessel, or other com-  
23 mon carrier, knowing that the currency was derived from  
24 some form of unlawful activity, or knowing that the cur-  
25 rency was intended to be used to promote some form of



1 unlawful activity, shall be punished as provided in sub-  
2 section (b). The defendant's knowledge may be established  
3 by proof that the defendant was willfully blind to the  
4 source or intended use of the currency. For purposes of  
5 this subsection, the concealment of currency on the person  
6 of any individual includes concealment in any article of  
7 clothing worn by the individual or in any luggage, back-  
8 pack, or other container worn or carried by such indi-  
9 vidual.”.

10 **SEC. 104. ILLEGAL MONEY TRANSMITTING BUSINESSES.**

11 (a) SCIENTER REQUIREMENT FOR SECTION 1960  
12 VIOLATION.—Section 1960(b)(1)(A) of title 18, United  
13 States Code, is amended by inserting “, whether or not  
14 the defendant knew the operation was so punishable” be-  
15 fore the semicolon at the end.

16 (b) SEIZURE OF ILLEGALLY TRANSMITTED  
17 FUNDS.—Section 981(a)(1)(A) of title 18, United States  
18 Code, is amended by striking “or 1957” and inserting “,  
19 1957 or 1960”.

20 **SEC. 105. LONG-ARM JURISDICTION OVER FOREIGN MONEY**  
21 **LAUNDERERS.**

22 Section 1956(b) of title 18, United States Code, is  
23 amended—

24 (1) by striking “(b) Whoever” and inserting  
25 “(b)(1) Whoever”;



1           (2) by redesignating paragraphs (1) and (2) as  
2           subparagraphs (A) and (B), respectively;

3           (3) by striking “subsection (a)(1) or (a)(3),”  
4           and inserting “subsection (a)(1) or (a)(3)(2) or sec-  
5           tion 1957,”; and

6           (4) by adding at the end the following new  
7           paragraph:

8           “(2) For purposes of adjudicating an action  
9           filed or enforcing a penalty ordered under this sec-  
10          tion, the district courts shall have jurisdiction over  
11          any foreign person, including any financial institu-  
12          tion authorized under the laws of a foreign country,  
13          against whom the action is brought, if—

14                 “(A) service of process upon such foreign  
15                 person is made under the Federal Rules of Civil  
16                 Procedure or the laws of the country where the  
17                 foreign person is found; and

18                 “(B) the foreign person—

19                         “(i) commits an offense under sub-  
20                         section (a) involving a financial transaction  
21                         that occurs in whole or in part in the  
22                         United States;

23                         “(ii) converts to such person’s own  
24                         use property in which the United States  
25                         has an ownership interest by virtue of the



1 entry of an order of forfeiture by a court  
2 of the United States; or

3 “(iii) is a financial institution that  
4 maintains a correspondent bank account at  
5 a financial institution in the United States.

6 “(3) The court may issue a pretrial restraining  
7 order or take any other action necessary to ensure  
8 that any bank account or other property held by the  
9 defendant in the United States is available to satisfy  
10 a judgment under this section.”.

11 **SEC. 106. LAUNDERING MONEY THROUGH A FOREIGN**  
12 **BANK.**

13 Section 1956(c)(6) of title 18, United States Code,  
14 is amended to read as follows:

15 “(6) the term ‘financial institution’ includes any  
16 financial institution described in section 5312(a)(2)  
17 of title 31, United States Code, or the regulations  
18 promulgated thereunder, as well as any foreign  
19 bank, as defined in paragraph (7) of section 1(b) of  
20 the International Banking Act of 1978 (12 U.S.C.  
21 3101(7)).”.

22 **SEC. 107. SPECIFIED UNLAWFUL ACTIVITY FOR MONEY**  
23 **LAUNDERING.**

24 (a) IN GENERAL.—Section 1956(c)(7) of title 18,  
25 United States Code, is amended—



1 (1) in subparagraph (B)—

2 (A) so that clause (ii) reads as follows:

3 “(ii) any act or acts constituting a  
4 crime of violence, as defined in Section 16  
5 of this title;” and

6 (B) by inserting after clause (iii) the fol-  
7 lowing:

8 “(iv) fraud or any scheme to defraud  
9 committed against an individual or entity  
10 (other than a foreign government or gov-  
11 ernment entity) provided such conduct  
12 would constitute a fraud or scheme to de-  
13 fraud under the laws of the United States  
14 or its constituent parts if committed in the  
15 United States;

16 “(v) fraud or any scheme to defraud against a foreign  
17 government or foreign government entity, if such conduct  
18 would constitute a violation of this title if it were com-  
19 mitted in interstate commerce in the United States and  
20 against the United States government or a United States  
21 governmental entity;

22 “(vi) bribery of a public official, or  
23 the misappropriation, theft, or embezzle-  
24 ment of public funds by or for the benefit  
25 of a public official;



1 “(vii) smuggling or export control vio-  
2 lations involving munitions listed in the  
3 United States Munitions List or tech-  
4 nologies with military applications as de-  
5 fined in the Commerce Control List of the  
6 Export Administration Regulations; or

7 “(viii) an offense with respect to  
8 which the United States would be obligated  
9 by a multilateral treaty either to extradite  
10 the alleged offender or to submit the case  
11 for prosecution, if the offender were found  
12 within the territory of the United States.”;  
13 and

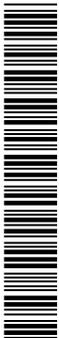
14 (2) in subparagraph (D)—

15 (A) by inserting “section 541 (relating to  
16 goods falsely classified),” before “section 542”;

17 (B) by inserting “section 922(1) (relating  
18 to the unlawful importation of firearms), sec-  
19 tion 924(n) (relating to firearms trafficking),”  
20 before “section 956”;

21 (C) by inserting “section 1030 (relating to  
22 computer fraud and abuse),” before “1032”;

23 (D) by inserting “any felony violation of  
24 the Foreign Agents Registration Act of 1938,



1 as amended,” before “or any felony violation of  
2 the Foreign Corrupt Practices Act”; and

3 (E) by striking “fraud in the sale of secu-  
4 rities” and inserting “fraud in the purchase or  
5 sale of securities”.

6 **SEC. 108. LAUNDERING THE PROCEEDS OF TERRORISM.**

7 Section 1956(c)(7)(D) of title 18, United States  
8 Code, is amended by inserting “or 2339B” after “2339A”.

9 **SEC. 109. VIOLATIONS OF REPORTING REQUIREMENTS FOR**  
10 **NONFINANCIAL TRADES AND BUSINESS.**

11 (a) CIVIL FORFEITURE.—Section 981(a)(1)(A) of  
12 title 18, United States Code, is amended—

13 (1) by inserting “section 6050I of the Internal  
14 Revenue Code of 1986, or” after “in violation of”;  
15 and

16 (2) by striking “or 5324(a)” and inserting “,  
17 5324(a), or 5332”.

18 (b) CRIMINAL FORFEITURE.—Section 982(a)(1) of  
19 title 18, United States Code, is amended—

20 (1) by inserting “section 6050I of the Internal  
21 Revenue Code of 1986, or” after “in violation of”;  
22 and

23 (2) by striking “or 5324” and inserting “,  
24 5324, or 5332”.



1 **SEC. 110. PROCEEDS OF FOREIGN CRIMES.**

2 Section 981(a)(1)(B) of title 18, United States Code,  
3 is amended to read as follows:

4 “(B) Any property, real or personal, within  
5 the jurisdiction of the United States, consti-  
6 tuting, derived from, or traceable to, any pro-  
7 ceeds obtained directly or indirectly from an of-  
8 fense against a foreign nation, or any property  
9 used to facilitate such offense, if—

10 “(i) the offense involves the manufac-  
11 ture, importation, sale, or distribution of a  
12 controlled substance (as such term is de-  
13 fined for the purposes of the Controlled  
14 Substances Act), or any other conduct de-  
15 scribed in section 1956(c)(7)(B),

16 “(ii) the offense would be punishable  
17 within the jurisdiction of the foreign nation  
18 by death or imprisonment for a term ex-  
19 ceeding one year, and

20 “(iii) the offense would be punishable  
21 under the laws of the United States by im-  
22 prisonment for a term exceeding one year  
23 if the act or activity constituting the of-  
24 fense had occurred within the jurisdiction  
25 of the United States.”.



1 **SEC. 111. TRANSFER OF REPORTING REQUIREMENTS FROM**  
2 **SECTION 6050I OF THE INTERNAL REVENUE**  
3 **CODE OF 1986 TO TITLE 31, UNITED STATES**  
4 **CODE.**

5 (a) REENACTMENT OF SECTION 6050I.—Subchapter  
6 II of chapter 53 of title 31, United States Code, is amend-  
7 ed by inserting after section 5331 (as added by section  
8 101 of this title) the following new section:

9 **“SEC. 5332. REPORTS RELATING TO COINS AND CURRENCY**  
10 **RECEIVED IN NONFINANCIAL TRADE OR**  
11 **BUSINESS.**

12 “(a) COIN AND CURRENCY RECEIPTS OF MORE  
13 THAN \$10,000.—Any person—

14 “(1) who is engaged in a trade or business; and

15 “(2) who, in the course of such trade or busi-  
16 ness, receives more than \$10,000 in coins or cur-  
17 rency in 1 transaction (or 2 or more related trans-  
18 actions),

19 shall file a report described in subsection (b) with respect  
20 to such transaction (or related transactions) at such time  
21 as the Secretary may by regulations prescribe.

22 “(b) FORM AND MANNER OF REPORTS.—A report is  
23 described in this subsection if such report—

24 “(1) is in such form as the Secretary may pre-  
25 scribe;

26 “(2) contains—



1           “(A) the name, address, and taxpayer  
2 identification number of the person from whom  
3 the coins or currency was received;

4           “(B) the amount of coins or currency re-  
5 ceived;

6           “(C) the date and nature of the trans-  
7 action; and

8           “(D) such other information as the Sec-  
9 retary may prescribe.

10       “(c) EXCEPTIONS.—

11           “(1) AMOUNTS RECEIVED BY FINANCIAL INSTI-  
12 TUTIONS.—Subsection (a) shall not apply to  
13 amounts received in a transaction reported under  
14 section 5313 and regulations prescribed under such  
15 section.

16           “(2) TRANSACTIONS OCCURRING OUTSIDE THE  
17 UNITED STATES.—Except to the extent provided in  
18 regulations prescribed by the Secretary, subsection  
19 (a) shall not apply to any transaction if the entire  
20 transaction occurs outside the United States.

21       “(d) CURRENCY INCLUDES FOREIGN CURRENCY AND  
22 CERTAIN MONETARY INSTRUMENTS.—

23           “(1) IN GENERAL.—For purposes of this sec-  
24 tion, the term ‘currency’ includes—

25           “(A) foreign currency; and



1           “(B) to the extent provided in regulations  
2           prescribed by the Secretary, any monetary in-  
3           strument (whether or not in bearer form) with  
4           a face amount of not more than \$10,000.

5           “(2) SCOPE OF APPLICATION.—Paragraph  
6           (1)(B) shall not apply to any check drawn on the ac-  
7           count of the writer in a financial institution referred  
8           to in subparagraph (A), (B), (C), (D), (E), (F), (G),  
9           (J), (K), (R), or (S) of section 5312(a)(2).

10          “(e) COINS OR CURRENCY RECEIVED BY CRIMINAL  
11          COURT CLERKS.—

12           “(1) IN GENERAL.—Every clerk of a Federal or  
13           State criminal court who receives more than \$10,000  
14           in coins or currency as bail for any individual  
15           charged with a specified criminal offense shall file a  
16           report described in paragraph (2) (at such time as  
17           the Secretary may by regulations prescribe) with re-  
18           spect to the receipt of such bail.

19           “(2) REPORT.—A report is described in this  
20           paragraph if such report—

21           “(A) is in such form as the Secretary may  
22           prescribe; and

23           “(B) contains—

24           “(i) the name, address, and taxpayer  
25           identification number of—



1                   “(I) the individual charged with  
2                   the specified criminal offense; and

3                   “(II) each person posting the bail  
4                   (other than a person licensed as a bail  
5                   bondsman);

6                   “(ii) the amount of coins or currency  
7                   received;

8                   “(iii) the date the coins or currency  
9                   was received; and

10                  “(iv) such other information as the  
11                  Secretary may prescribe.

12                  “(3) SPECIFIED CRIMINAL OFFENSE.—For pur-  
13                  poses of this subsection, the term ‘specified criminal  
14                  offense’ means—

15                  “(A) any Federal criminal offense involv-  
16                  ing a controlled substance;

17                  “(B) racketeering (as defined in section  
18                  1951, 1952, or 1955 of title 18, United States  
19                  Code);

20                  “(C) money laundering (as defined in sec-  
21                  tion 1956, 1957 or 1960 of such title); and

22                  “(D) any State criminal offense substan-  
23                  tially similar to an offense described in sub-  
24                  paragraph (A), (B), or (C).



1           “(4) INFORMATION TO FEDERAL PROSECU-  
2           TORS.—Each clerk required to include in a report  
3           under paragraph (1) the information described in  
4           paragraph (2)(B) with respect to an individual de-  
5           scribed in paragraph (2)(B)(i)(I) shall furnish (at  
6           such time as the Secretary may by regulations pre-  
7           scribe) a written statement showing such informa-  
8           tion to the United States Attorney for the jurisdic-  
9           tion in which such individual resides and the jurisdic-  
10          tion in which the specified criminal offense oc-  
11          curred.

12           “(5) INFORMATION TO PAYORS OF BAIL.—Each  
13          clerk required to file a report under paragraph (1)  
14          shall furnish (at such time as the Secretary may by  
15          regulations prescribe) to each person whose name is  
16          required to be set forth in such report by reason of  
17          paragraph (2)(B)(i)(II) a written statement  
18          showing—

19                   “(A) the name and address of the clerk’s  
20                   office required to file the report; and

21                   “(B) the aggregate amount of coins and  
22                   currency described in paragraph (1) received by  
23                   such clerk.”.

24          (b) PROHIBITION ON STRUCTURING TRANS-  
25          ACTIONS.—



1 (1) IN GENERAL.—Section 5324 of title 31,  
2 United States Code, is amended—

3 (A) by redesignating subsections (b) and  
4 (c) as subsections (e) and (d), respectively; and

5 (B) by inserting after subsection (a) the  
6 following new subsection:

7 “(b) DOMESTIC COIN AND CURRENCY TRANS-  
8 ACTIONS INVOLVING NONFINANCIAL TRADES OR BUSI-  
9 NESSES.—No person shall for the purpose of evading the  
10 report requirements of section 5332 or any regulation pre-  
11 scribed under such section—

12 “(1) cause or attempt to cause a nonfinancial  
13 trade or business to fail to file a report required  
14 under section 5332 or any regulation prescribed  
15 under such section;

16 “(2) cause or attempt to cause a nonfinancial  
17 trade or business to file a report required under sec-  
18 tion 5332 or any regulation prescribed under such  
19 section that contains a material omission or  
20 misstatement of fact; or“(3) structure or assist in  
21 structuring, or attempt to structure or assist in  
22 structuring, any transaction with 1 or more non-  
23 financial trades or businesses.’.

24 (2) TECHNICAL AND CONFORMING AMEND-  
25 MENTS.—



1 (A) The heading for subsection (a) of sec-  
2 tion 5324 of title 31, United States Code, is  
3 amended by inserting “INVOLVING FINANCIAL  
4 INSTITUTIONS” after “TRANSACTIONS”.

5 (B) Section 5317(c) of title 31, United  
6 States Code, is amended by striking “5324(b)”  
7 and inserting “5324(c)”.

8 (c) DEFINITION OF NONFINANCIAL TRADE OR BUSI-  
9 NESS.—

10 (1) IN GENERAL.—Section 5312(a) of title 31,  
11 United States Code, is amended—

12 (A) by redesignating paragraphs (4) and  
13 (5) as paragraphs (5) and (6), respectively; and

14 (B) by inserting after paragraph (3) the  
15 following new paragraph:

16 “(4) NONFINANCIAL TRADE OR BUSINESS.—  
17 The term ‘nonfinancial trade or business’ means any  
18 trade or business other than a financial institution  
19 that is subject to the reporting requirements of sec-  
20 tion 5313 and regulations prescribed under such sec-  
21 tion.”.

22 (2) TECHNICAL AND CONFORMING AMEND-  
23 MENTS.—

24 (A) Section 5312(a)(3)(C) of title 31,  
25 United States Code, is amended by striking



1 “section 5316,” and inserting “sections 5332  
2 and 5316,”.

3 (B) Subsections (a) through (f) of section  
4 5318 of title 31, United States Code, and sec-  
5 tions 5321, 5326, and 5328 of such title are  
6 each amended—

7 (i) by inserting “or nonfinancial trade  
8 or business” after “financial institution”  
9 each place such term appears; and

10 (ii) by inserting “or nonfinancial  
11 trades or businesses” after “financial insti-  
12 tutions” each place such term appears.

13 (C) Section 981(a)(1)(A) of title 18,  
14 United States Code, is amended by striking  
15 “5313(a) or 5324(a) of title 31,” and inserting  
16 “5313(a) or 5332 of title 31, or subsection (a)  
17 or (b) of section 5324 of such title,”.

18 (D) Section 982(a)(1) of title 18, United  
19 States Code, is amended by inserting “5332,”  
20 after “5313(a),”.

21 (d) REPEAL OF DUPLICATE PROVISION.—Section  
22 6050I of the Internal Revenue Code of 1986 is hereby re-  
23 pealed.

24 (e) CLERICAL AMENDMENTS.—The tables of sections  
25 for chapter 53 of title 31, United States Code, is amended



1 by inserting after the item relating to section 5331 (as  
2 added by section 101 of this title) the following new item:

“5332. Reports relating to coins and currency received in nonfinancial trade or  
business.”.

3 (2) INTERNAL REVENUE CODE OF 1986.—

4 (A) The table of sections for subpart B of  
5 part III of subchapter A of chapter 61 of the  
6 Internal Revenue Code of 1986 is amended by  
7 striking the item relating to section 6050I.

8 (B)(i) Subsection (l) of section 6103 of  
9 such Code is amended by striking paragraph  
10 (15).

11 (ii) Subparagraph (A) of section  
12 6103(p)(3) of such Code is amended by  
13 striking “(15),”.

14 (iii) Paragraph (4) of section 6103(p)  
15 of such Code is amended by striking in the  
16 material preceding subparagraph (A)  
17 “(12)” and all that follows through “(16)”  
18 and inserting “(12), or (16)”.

19 (iv) Clause (ii) of section  
20 6103(p)(4)(F) of such Code is amended by  
21 striking “(14), or (15)” and inserting “or  
22 (14)”.

23 (C) Paragraph (2) of section 6721(e) of  
24 such Code is amended—



1 (i) in subparagraph (A) by striking  
2 “6050I,” and by adding “or” at the end,  
3 (ii) by striking “or” at the end of sub-  
4 paragraph (B) and inserting “and”, and  
5 (iii) by striking subparagraph (C).

6 (D) Subparagraph (B) of section  
7 6724(d)(1) of such Code is amended by striking  
8 clause (iv) and by redesignating the succeeding  
9 clauses accordingly.

10 (E) Paragraph (2) of section 6724(d) of  
11 such Code is amended by striking subparagraph  
12 (K) and by redesignating the succeeding sub-  
13 paragraphs accordingly.

14 (F) Section 7203 of such Code is amended  
15 by striking the last sentence.

16 (f) REGULATIONS; EFFECTIVE DATE.—

17 (1) REGULATIONS.—Regulations which the Sec-  
18 retary of the Treasury determines are necessary to  
19 implement this section shall be published in final  
20 form before the end of the 6-month period beginning  
21 on the date of the enactment of this Act.

22 (2) EFFECTIVE DATE.—The amendments made  
23 by this section shall take effect immediately upon  
24 enactment, except that the reporting obligations  
25 mandated by Title 26, United States Code, Section



1 6050I shall not be repealed until the regulations  
2 mandated by Title 31, United States Code, Section  
3 5332 become effective.

4 **SEC. 112. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC**  
5 **TARGETING ORDERS AND CERTAIN RECORD**  
6 **KEEPING REQUIREMENTS.**

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

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

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

16 (b) CRIMINAL PENALTIES FOR VIOLATION OF TAR-  
17 GETING ORDER.—

18 Section 5322 of title 31, United States Code, is  
19 amended—

20 (1) in subsection (a)—

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

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



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

4 (2) in subsection (b)—

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

8 (B) by inserting “willfully violating a regu-  
9 lation prescribed under section 21 of the Fed-  
10 eral Deposit Insurance Act or section 123 of  
11 Public Law 91–508,” after “under section 5315  
12 or 5324),”;

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

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

18 (2) by striking “section—” and inserting “sec-  
19 tion, the reporting requirements imposed by any  
20 order issued under section 5326, or the record keep-  
21 ing requirements imposed by any regulation pre-  
22 scribed under section 21 of the Federal Deposit In-  
23 surance Act or section 123 of Public Law 91–508—  
24 ”; and



1           (3) in paragraphs (1) and (2), by inserting “,  
2           to file a report required by any order issued under  
3           section 5326, or to maintain a record required pur-  
4           suant to any regulation prescribed under section 21  
5           of the Federal Deposit Insurance Act or section 123  
6           of Public Law 91–508” after “regulation prescribed  
7           under any such section” each place that term ap-  
8           pears.

9           (d) INCREASE IN CIVIL PENALTIES FOR VIOLATION  
10          OF CERTAIN RECORD KEEPING REQUIREMENTS.—

11           (1) FEDERAL DEPOSIT INSURANCE ACT.—Sec-  
12           tion 21(j)(1) of the Federal Deposit Insurance Act  
13           (12 U.S.C. 1829b(j)(1)) is amended by striking  
14           “\$10,000” and inserting “the greater of—

15                   “(A) the amount (not to exceed \$100,000)  
16                   involved in the transaction (if any) with respect  
17                   to which the violation occurred; or

18                   “(B) \$25,000”.

19           (2) PUBLIC LAW 91–508.—Section 125(a) of  
20           Public Law 91–508 (12 U.S.C. 1955(a)) is amended  
21           by striking “\$10,000” and inserting “the greater  
22           of—

23                   “(1) the amount (not to exceed \$100,000) in-  
24                   volved in the transaction (if any) with respect to  
25                   which the violation occurred; or





1 **SEC. 113. EXCLUSION OF ALIENS INVOLVED IN MONEY**  
2 **LAUNDERING.**

3 (a) IN GENERAL.—Section 212 of the Immigration  
4 and Nationality Act of 1952, as amended (8 U.S.C. 1182),  
5 is amended in subsection (a)(2)—

6 (1) by redesignating subparagraphs (D), (E)  
7 and (F) as subparagraphs (F), (G) and (I), respec-  
8 tively; and

9 (2) by inserting after subparagraph (C) new  
10 subparagraphs (D) and (E) to read as follows:

11 “(D) MONEY LAUNDERING ACTIVITIES.—  
12 Any alien who the consular officer or the Attor-  
13 ney General knows or has reason to believe—

14 “(i) is or has been engaged in activi-  
15 ties which if engaged in within the United  
16 States would constitute a violation of the  
17 money laundering provisions section 1956  
18 or 1957 of title 18, United States Code, or  
19 has knowingly assisted, abetted, or con-  
20 spired or colluded with others in any such  
21 illicit activity; or

22 “(ii) is the spouse, son or daughter of  
23 an alien inadmissible under clause (i), has,  
24 within the previous 5 years, obtained any  
25 financial or other benefit from such illicit  
26 activity of that alien, and knew or reason-



1 ably should have known that the financial  
2 or other benefit was the product of such il-  
3 licit activity, is inadmissible.

4 (b) CONFORMING AMENDMENT.—Section  
5 212(h)(1)(A)(i) of the Immigration and Nationality Act  
6 of 1952, as amended (8 U.S.C. 1182), is amended by  
7 striking “(D)(i) or (D)(ii)” and inserting “(E)(i) or  
8 (E)(ii)”.

9 **SEC. 114. STANDING TO CONTEST FORFEITURE OF FUNDS**  
10 **DEPOSITED INTO FOREIGN BANK THAT HAS A**  
11 **CORRESPONDENT ACCOUNT IN THE UNITED**  
12 **STATES.**

13 Section 981 of title 18, United States Code, is  
14 amended by adding the following after the last subsection:

15 “(k) CORRESPONDENT BANK ACCOUNTS.—

16 “(1) For the purpose of a forfeiture under this  
17 section or under the Controlled Substances Act, if  
18 funds are deposited into a dollar-denominated bank  
19 account in a foreign financial institution, and that  
20 foreign financial institution has a correspondent ac-  
21 count with a financial institution in the United  
22 States, the funds deposited into the foreign financial  
23 institution (the respondent bank) shall be deemed to  
24 have been deposited into the correspondent account  
25 in the United States, and any restraining order, sei-



1 zure warrant, or arrest warrant in rem regarding  
2 such funds may be served on the correspondent  
3 bank, and funds in the correspondent account up to  
4 the value of the funds deposited into the dollar-de-  
5 nominated account in the foreign financial institu-  
6 tion may be seized, arrested or restrained.

7 “(2) In the circumstances where paragraph (1)  
8 applies, if a forfeiture action is brought against the  
9 funds that are seized, arrested, or restrained, it shall  
10 not be necessary for the government to establish  
11 that such funds are directly traceable to the funds  
12 that were deposited into the respondent bank, nor  
13 shall it be necessary for the Government to rely on  
14 the application of Section 984 of this title.

15 “(3) If a forfeiture action is instituted against  
16 funds seized, arrested or restrained pursuant to  
17 paragraph (1), the owner of the funds, as that term  
18 is defined in paragraph (4), may contest the for-  
19 feiture by filing a claim pursuant to section 983 of  
20 this title.

21 “(4) For purposes of this subsection—

22 “(A) except as provided in (C), the ‘owner  
23 of the funds’ is the ‘owner,’ as that term is de-  
24 fined in Section 983(d)(6), whose funds were  
25 deposited into the respondent bank;



1           “(B) If the respondent bank received the  
2 funds that are subject to forfeiture from an-  
3 other respondent bank, the “owner of the  
4 funds” is the ‘owner’ whose funds were depos-  
5 ited into the first respondent bank, and each  
6 intermediary financial institution shall be  
7 deemed a respondent bank;

8           “(C) the respondent bank may be consid-  
9 ered the ‘owner of the funds’ only if—

10           “(i) the basis for the forfeiture action  
11 is wrongdoing committed by the respond-  
12 ent bank, or

13           “(ii) the respondent bank establishes,  
14 by a preponderance of the evidence, that  
15 prior to the seizure or arrest of the funds,  
16 the respondent bank discharged all or part  
17 its obligation to the owner of the funds, in  
18 which case the respondent bank will be  
19 deemed the owner of the funds to the ex-  
20 tent that such obligation was satisfied.

21           “(D) In cases where (C) applies, only the  
22 respondent bank may be considered to be the  
23 “owner of the funds.”



1           “(5) “In this section, ‘correspondent account’  
2           has the same meaning as the term ‘interbank ac-  
3           count’ as defined in 18 U.S.C. “ 984(c)(2)(B).”

4 **SEC. 115. SUBPOENAS FOR RECORDS REGARDING FUNDS**  
5 **IN CORRESPONDENT BANK ACCOUNTS.**

6           (a) IN GENERAL.—Chapter 53 of title 31, United  
7 States Code, is amended by inserting after section 5332  
8 (as added by this title) the following new section:

9 **“SEC. 5333. SUBPOENAS FOR RECORDS.**

10           “(a) DESIGNATION BY FOREIGN FINANCIAL INSTI-  
11 TUTION OF AGENT.—Any foreign financial institution that  
12 has a correspondent bank account at a financial institu-  
13 tion in the United States shall designate a person residing  
14 in the United States as a person authorized to accept a  
15 subpoena for bank records or other legal process served  
16 on the foreign financial institution.

17           “(b) MAINTENANCE OF RECORDS BY DOMESTIC FI-  
18 NANCIAL INSTITUTION.—

19           “(1) IN GENERAL.—Any domestic financial in-  
20 stitution that maintains a correspondent bank ac-  
21 count for a foreign financial institution shall main-  
22 tain records regarding the names and addresses of  
23 the owners of the foreign financial institution, and  
24 the name and address of the person who may be  
25 served with a subpoena for records regarding any



1 funds transferred to or from the correspondent ac-  
2 count.

3 “(2) PROVISION TO LAW ENFORCEMENT AGEN-  
4 CY.—A domestic financial institution shall provide  
5 names and addresses maintained under paragraph  
6 (1) to a Government authority (as defined in section  
7 1101(3) of the Right to Financial Privacy Act of  
8 1978) within 7 days of the receipt of a request, in  
9 writing, for such records.

10 “(c) ADMINISTRATIVE SUBPOENA.—

11 “(1) IN GENERAL.—The Attorney General may  
12 issue an administrative subpoena for records relating  
13 to the deposit of any funds into a dollar-denomi-  
14 nated account in a foreign financial institution that  
15 maintains a correspondent account at a domestic fi-  
16 nancial institution.

17 “(2) MANNER OF ISSUANCE.—Any subpoena  
18 issued by the Attorney General under paragraph (1)  
19 shall be issued in the manner described in section  
20 3486 of this title, and may be served on the rep-  
21 resentative designated by the foreign financial insti-  
22 tution pursuant to subsection (a) to accept legal  
23 process in the United States, or in a foreign country  
24 pursuant to any mutual legal assistance treaty, mul-



1        bilateral agreement, or other request for inter-  
2        national law enforcement assistance.

3        “(d) CORRESPONDENT ACCOUNT DEFINED.—For  
4        purposes of this section, the term “correspondent ac-  
5        count” has the same meaning as the term “interbank ac-  
6        count” as such term is defined in section 984(c)(2)(B) of  
7        title 18, United States Code.”.

8        (b) CLERICAL AMENDMENTS.—The table of sections  
9        for chapter 53 of title 31, United States Code, is amended  
10       by inserting after the item relating to section 5332 (as  
11       added by this title) the following new item:

“5333. Subpoenas for records.”.

12       (c) EFFECTIVE DATE.—Section 5333(a) of title 31,  
13       United States Code, (as added by subsection (a) of this  
14       section shall apply after the end of the 30-day period be-  
15       ginning on the date of the enactment of this Act.

16       (d) REQUESTS FOR RECORDS.—Section 3486(a)(1)  
17       of title 18, United States Code, is amended by striking  
18       “, or (II) a Federal offense involving the sexual exploi-  
19       tation or abuse of children,” and inserting “,(II) a Federal  
20       offense involving the sexual exploitation or abuse of chil-  
21       dren, or (III) a money laundering offense in violation of  
22       section 1956, 1957 or 1960 of this title,”.

23       **SEC. 116. FINANCIAL CRIMES ENFORCEMENT NETWORK.**

24       (a) IN GENERAL.—Subchapter I of chapter 3 of title  
25       31, United States Code, is amended—



1 (1) by redesignating section 310 as section 311;

2 and

3 (2) by inserting after section 309 the following

4 new section:

5 **“§ 310. Financial crimes enforcement network**

6 “(a) IN GENERAL.—The Financial Crimes Enforce-  
7 ment Network established by order of the Secretary of the  
8 Treasury (Treasury Order Numbered 105-08) on April  
9 25, 1990, shall be a bureau in the Department of the  
10 Treasury.

11 “(b) DIRECTOR.—

12 “(1) APPOINTMENT.—The head of the Finan-  
13 cial Crimes Enforcement Network shall be the Di-  
14 rector who shall be appointed by the President, by  
15 and with the consent of the Senate, to a term of 4  
16 years.

17 “(2) DUTIES AND POWERS.—The duties and  
18 powers of the Director are as follows:

19 “(A) Advise and make recommendations  
20 on matters relating to financial intelligence and  
21 other financial criminal activity to the Under  
22 Secretary for Enforcement.

23 “(B) Maintain a government-wide data ac-  
24 cess service, with access, in accordance with ap-  
25 plicable legal requirements, to the following:



1           “(i) Information collected by the De-  
2           partment of the Treasury, including report  
3           information filed under subchapters II and  
4           III of chapter 53 of this title (such as re-  
5           ports on cash transactions, foreign finan-  
6           cial agency transactions and relationships,  
7           foreign currency transactions, exporting  
8           and importing monetary instruments, and  
9           suspicious activities), chapter 2 of Public  
10          Law 91–508, section 21 of the Federal De-  
11          posit Insurance Act and section 6050I of  
12          the Internal Revenue Code of 1986.

13          “(ii) Information regarding national  
14          and international currency flows.

15          “(iii) Other records and data main-  
16          tained by other Federal, State, local, and  
17          foreign agencies, including financial and  
18          other records developed in specific cases.

19          “(iv) other privately and publicly  
20          available information.

21          “(C) Analyze and disseminate the available  
22          data in accordance with applicable legal require-  
23          ments and policies and guidelines established by  
24          the Secretary of the Treasury and the Under  
25          Secretary for Enforcement to—



1 “(i) identify possible criminal targets  
2 to appropriate Federal, State, local, and  
3 foreign law enforcement agencies;

4 “(ii) support ongoing criminal finan-  
5 cial investigations and prosecutions and re-  
6 lated proceedings, including civil and crimi-  
7 nal tax and forfeiture proceedings;

8 “(iii) identify possible instances of  
9 noncompliance with subchapters II and III  
10 of chapter 53 of this title, chapter 2 of  
11 Public Law 91–508, and section 21 of the  
12 Federal Deposit Insurance Act to Federal  
13 agencies with statutory responsibility for  
14 enforcing compliance with such provisions;

15 “(iv) evaluate and recommend possible  
16 uses of special currency reporting require-  
17 ments under section 5326; and

18 “(v) determine emerging trends and  
19 methods in money laundering and other fi-  
20 nancial crimes.

21 “(D) Establish and maintain a financial  
22 crimes communications center to furnish law  
23 enforcement authorities with intelligence infor-  
24 mation related to emerging or ongoing inves-  
25 tigation and undercover operations.



1           “(E) Furnish research, analytical, and in-  
2           formational services to financial institutions,  
3           appropriate Federal regulatory agencies with  
4           regard to financial institutions, and appropriate  
5           Federal, State, local, and foreign law enforce-  
6           ment authorities, in accordance with policies  
7           and guidelines established by the Secretary of  
8           the Treasury or the Under Secretary of the  
9           Treasury for Enforcement, in the interest of de-  
10          tection, prevention, and prosecution of money  
11          laundering and other financial crimes.

12           “(F) Establish and maintain a special unit  
13          dedicated to combatting the use of informal,  
14          nonbank networks and payment and barter sys-  
15          tem mechanisms that permit the transfer of  
16          funds or the equivalent of funds without records  
17          and without compliance with criminal and tax  
18          laws.

19           “(G) Such other duties and powers as the  
20          Secretary of the Treasury may delegate or pre-  
21          scribe.

22          “(c) REQUIREMENTS RELATING TO MAINTENANCE  
23          AND ‘USER FRIENDLY’ USE OF DATA BANKS.—The Sec-  
24          retary of the Treasury shall establish and maintain oper-  
25          ating procedures with respect to the government-wide data



1 access service and the financial crimes communications  
2 center maintained by the Financial Crimes Enforcement  
3 Network which provide—

4 “(1) for the coordinated and efficient entry of  
5 information into, and withdrawal of information  
6 from, the data maintenance system maintained by  
7 the Network, including—

8 “(A) the submission of reports in elec-  
9 tronic format, whenever possible;

10 “(B) the cataloguing of information in a  
11 manner that facilitates rapid retrieval by law  
12 enforcement personnel of meaningful data in a  
13 ‘user friendly’ manner; and

14 “(C) a procedure that provides for a  
15 prompt initial review of suspicious activity re-  
16 ports and other reports, or such other means as  
17 the Secretary may provide, to identify informa-  
18 tion that warrants immediate action;

19 “(2) in accordance with section 552a of title 5  
20 and the Right to Financial Privacy Act of 1978, ap-  
21 propriate standards and guidelines for  
22 determining—

23 “(A) who is to be given access to the infor-  
24 mation maintained by the Network;



1 “(B) what limits are to be imposed on the  
2 use of such information; and

3 “(C) how information about activities or  
4 relationships which involve or are closely associ-  
5 ated with the exercise of constitutional rights is  
6 to be screened out of the data maintenance sys-  
7 tem; and

8 “(3) the prompt verification of the accuracy  
9 and completeness of information maintained by the  
10 Network and the prompt deletion or correction of in-  
11 accurate or incomplete information.

12 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
13 are authorized to be appropriated for the Financial Crimes  
14 Enforcement Network such sums as may be necessary for  
15 fiscal years 2002 and 2003.”.

16 (b) CLERICAL AMENDMENT.—The table of sections  
17 for subchapter I of chapter 3 of title 31, United States  
18 Code, is amended—

19 (1) by redesignating the item relating to section  
20 310 as section 311; and

21 (2) by inserting after the item relating to sec-  
22 tion 309 the following new item:

“310. Financial crimes enforcement network”.

23 **SEC. 117. CUSTOMS SERVICE BORDER SEARCHES.**

24 Section 5317(b) of title 31, United States Code, is  
25 amended to read as follows:



1 “(b) SEARCHES AT BORDER.—

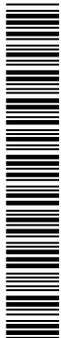
2 “(1) IN GENERAL.—For purposes of ensuring  
3 compliance with the laws enforced by the United  
4 States Customs Service, a customs officer may stop  
5 and search, at the border and without a search war-  
6 rant, any vehicle, vessel, aircraft, or other convey-  
7 ance, any envelope or other container, and any per-  
8 son entering or departing from the United States.

9 “(2) INTERNATIONAL SHIPMENTS OF MAIL.—

10 With respect to shipments of international mail  
11 (within the meaning of section 3741 of title 39) that  
12 are exported or imported by the United States Post-  
13 al Service, the Customs Service and other appro-  
14 priate Federal agencies shall, subject to paragraph  
15 (3), apply the customs laws of the United States and  
16 all other laws relating to the importation or expor-  
17 tation of such shipments in the same manner to  
18 both shipments by the Postal Service and similar  
19 shipments by private companies.

20 “(3) SAFEGUARDS.—No provision of this sub-  
21 section shall be construed as authorizing any cus-  
22 toms officer or any other person to read, copy, or  
23 seize any correspondence unless—

24 “(A) a search warrant has been issued  
25 pursuant to Rule 41 of the Federal Rules of



1 Civil Procedure which permits such correspond-  
2 ence to be read, copied, or seized; or

3 “(B) the author or sender of the cor-  
4 respondence has given written consent for any  
5 such action.”.

6 **SEC. 118. PROHIBITION ON FALSE STATEMENTS TO FINAN-**  
7 **CIAL INSTITUTIONS CONCERNING THE IDEN-**  
8 **TITY OF A CUSTOMER.**

9 (a) IN GENERAL.—Chapter 47 of title 18, United  
10 States Code, is amended by inserting after section 1007  
11 the following:

12 **“§ 1008. False statements concerning the identity of**  
13 **customers of financial institutions**

14 “(a) IN GENERAL.—Whoever knowingly in any  
15 manner—

16 “(1) falsifies, conceals, or covers up, or at-  
17 tempts to falsify, conceal, or cover up, the identity  
18 of any person in connection with any transaction  
19 with a financial institution;

20 “(2) makes, or attempts to make, any materi-  
21 ally false, fraudulent, or fictitious statement or rep-  
22 resentation of the identity of any person in connec-  
23 tion with a transaction with a financial institution;

24 “(3) makes or uses, or attempts to make or  
25 use, any false writing or document knowing the



1 same to contain any materially false, fictitious, or  
2 fraudulent statement or entry concerning the iden-  
3 tity of any person in connection with a transaction  
4 with a financial institution; or

5 “(4) uses or presents, or attempts to use or  
6 present, in connection with a transaction with a fi-  
7 nancial institution, an identification document or  
8 means of identification the possession of which is a  
9 violation of section 1028;

10 shall be fined under this title, imprisoned not more than  
11 5 years, or both.

12 “(b) DEFINITIONS.—In this section, the following  
13 definitions shall apply:

14 “(1) FINANCIAL INSTITUTION.—The term ‘fi-  
15 nancial institution’—

16 “(A) has the same meaning as in section  
17 20; and

18 “(B) in addition, has the same meaning as  
19 in section 5312(a)(2) of title 31, United States  
20 Code.

21 “(2) IDENTIFICATION DOCUMENT.—The term  
22 ‘identification document’ has the same meaning as  
23 in section 1028(d).



1           “(3) MEANS OF IDENTIFICATION.—The term  
2           ‘means of identification’ has the same meaning as in  
3           section 1028(d).”.

4           (b) TECHNICAL AND CONFORMING AMENDMENTS.—

5           (1) TITLE 18, UNITED STATES CODE.—Section  
6           1956(c)(7)(D) of title 18, United States Code, is  
7           amended by striking “1014 (relating to fraudulent  
8           loan” and inserting “section 1008 (relating to false  
9           statements concerning the identity of customers of  
10          financial institutions), section 1014 (relating to  
11          fraudulent loan”.

12          (2) TABLE OF SECTIONS.—The table of sections  
13          for chapter 47 of title 18, United States Code, is  
14          amended by inserting after the item relating to sec-  
15          tion 1007 the following:

          “1008. False statements concerning the identity of customers of financial insti-  
          tutions.”.

16   **SEC. 119. VERIFICATION OF IDENTIFICATION.**

17          Section 5318 of title 31, United States Code, is  
18          amended by adding at the end the following new sub-  
19          section:

20          “(i) IDENTIFICATION AND VERIFICATION OF  
21          ACCOUNTHOLDERS.—The Secretary of the Treasury shall  
22          prescribe regulations requiring financial institutions to ob-  
23          tain and maintain the names, addresses, and other forms  
24          of identification of all persons who open or maintain an



1 account at the institution, including any beneficial owner  
2 of any such account. The regulations shall include a re-  
3 quirement that financial institutions shall verify the iden-  
4 tity of all such persons and maintain records of the infor-  
5 mation used to verify such identification.”.

6 **TITLE II—PUBLIC-PRIVATE**  
7 **COOPERATION**

8 **SEC. 201. ESTABLISHMENT OF HIGHLY SECURE WEBSITE.**

9 (a) IN GENERAL.—The Secretary of the Treasury  
10 shall establish a highly secure website in the Financial  
11 Crimes Enforcement Network that—

12 (1) allows financial institutions to file sus-  
13 picious activities reports through the Internet; and

14 (2) provides financial institutions with alerts  
15 and other information regarding suspicious activities  
16 that warrant immediate and enhanced scrutiny.

17 (b) EXPEDITED DEVELOPMENT.—The Secretary of  
18 the Treasury shall take such action as may be necessary  
19 to ensure that the website required under subsection (a)  
20 is fully operational before the end of the 6-month period  
21 beginning on the date of the enactment of this Act.

22 **SEC. 202. REPORT ON IMPROVEMENTS IN DATA ACCESS.**

23 Before the end of the 4-month period beginning on  
24 the date of the enactment of this Act, the Secretary of  
25 the Treasury shall report to the Congress on the progress



1 made since such date of enactment in meeting the require-  
2 ments of section 310(c) of title 31, United States Code  
3 (as added by this Act) to maintain the data collection and  
4 analysis system of the Financial Crimes Enforcement Net-  
5 work in a manner that allows the submission of reports  
6 in electronic format and the rapid retrieval by law enforce-  
7 ment personnel of meaningful data in a ‘user friendly’  
8 manner.

9 **SEC. 203. REPORTS TO THE FINANCIAL SERVICES INDUS-**  
10 **TRY ON SUSPICIOUS FINANCIAL ACTIVITIES.**

11 At least once each calendar quarter, the Secretary of  
12 the Treasury shall—

13 (1) publish a report containing a detailed anal-  
14 ysis identifying patterns of suspicious activity and  
15 other investigative insights derived from suspicious  
16 activity reports and investigations conducted by Fed-  
17 eral , to the extent appropriate; and

18 (2) distribute such report to financial institu-  
19 tions (as defined in section 5312 of title 31, United  
20 States Code).

21 **SEC. 204. EFFICIENT USE OF CURRENCY TRANSACTION RE-**  
22 **PORT SYSTEM.**

23 (a) FINDINGS.—The Congress finds the following:

24 (1) The Congress established the currency  
25 transaction reporting requirements in 1970 because



1 the Congress found then that such reports have a  
2 high degree of usefulness in criminal, tax, and regu-  
3 latory investigations and proceedings and the useful-  
4 ness of such reports has only increased in the years  
5 since the requirements were established.

6 (2) In 1994, in response to reports and testi-  
7 mony that excess amounts of currency transaction  
8 reports were interfering with effective law enforce-  
9 ment, the Congress reformed the currency trans-  
10 action report exemption requirements to provide—

11 (A) mandatory exemptions for certain re-  
12 ports that had little usefulness for law enforce-  
13 ment, such as cash transfers between depository  
14 institutions and cash deposits from government  
15 agencies; and

16 (B) discretionary authority for the Sec-  
17 retary of the Treasury to provide exemptions,  
18 subject to criteria and guidelines established by  
19 the Secretary, for financial institutions with re-  
20 gard to regular business customers that main-  
21 tain accounts at an institution into which fre-  
22 quent cash deposits are made.

23 (3) Today there is evidence that some financial  
24 institutions are not utilizing the exemption system,  
25 or are filing reports even if there is an exemption in



1 effect, with the result that the volume of currency  
2 transaction reports is once again interfering with ef-  
3 fective law enforcement.

4 (b) STUDY AND REPORT.—

5 (1) STUDY REQUIRED.—The Secretary of the  
6 Treasury shall conduct a study of—

7 (A) the possible expansion of the statutory  
8 exemption system in effect under 5313 of title  
9 31, United States Code;

10 (B) methods for improving financial insti-  
11 tution utilization of the statutory exemption  
12 provisions as a way of reducing the submission  
13 of currency transaction reports that have little  
14 or no value for law enforcement purposes, in-  
15 cluding improvements in the systems in effect  
16 at financial institutions for regular review of  
17 the exemption procedures used at the institu-  
18 tion and the training of personnel in its effec-  
19 tive use; and

20 (C) the feasibility and advisability of estab-  
21 lishing sanctions for financial institutions that  
22 routinely engage in filing currency transaction  
23 reports that have little or no value for law en-  
24 forcement purposes without regard to the statu-



1 tory exemptions available with respect to such  
2 reports.

3 (2) REPORT REQUIRED.—The Secretary of the  
4 Treasury shall submit a report to the Congress be-  
5 fore the end of the 90-day period beginning on the  
6 date of the enactment of this Act containing the  
7 findings and conclusions of the Secretary with re-  
8 gard to the study required under subsection (a) and  
9 such recommendations for legislative or administra-  
10 tive action as the Secretary determines to be appro-  
11 priate.

12 **SEC. 205. PUBLIC-PRIVATE TASK FORCE ON TERRORIST FI-**  
13 **NANCING ISSUES.**

14 Section 1564 of the Annunzio—Wylie Anti-Money  
15 Laundering Act (31 U.S.C. 5313 note) is amended by  
16 adding at the end the following new subsection:

17 “(d) TERRORIST FINANCING ISSUES.—The Secretary  
18 of the Treasury shall provide, either within the Bank Se-  
19 crecy Act Advisory Group, or as a subcommittee or other  
20 adjunct of the Advisory Group, for a task force of rep-  
21 resentatives from agencies and officers represented on the  
22 Advisory Group and representatives of financial institu-  
23 tions, private organizations that represent the financial  
24 services industry, and other interested parties to focus  
25 on—

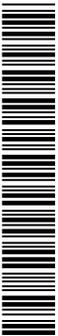


1           “(1) issues specifically related to the finances of  
2 terrorist groups, the means terrorist groups use to  
3 transfer funds around the world and within the  
4 United States, and the extent to which financial in-  
5 stitutions in the United States are unwittingly in-  
6 volved in such finances and the extent to which such  
7 institutions are at risk as a result; and

8           “(2) means of facilitating the identification of  
9 accounts and transactions involving terrorist groups  
10 and facilitating the exchange of information con-  
11 cerning such accounts and transactions between fi-  
12 nancial institutions and law enforcement organiza-  
13 tions.”.

14 **SEC. 206. DEADLINE FOR SUSPICIOUS ACTIVITY REPORT-**  
15 **ING REQUIREMENTS FOR REGISTERED BRO-**  
16 **KERS AND DEALERS.**

17           The Secretary of the Treasury shall publish regula-  
18 tions in the Federal Register before January 1, 2002, re-  
19 quiring brokers and dealers registered with the Securities  
20 and Exchange Commission under the Securities Exchange  
21 Act of 1934 to submit suspicious activity reports under  
22 section 5318(g) of title 31, United States Code.



1 **SEC. 207. AMENDMENTS RELATING TO REPORTING OF SUS-**  
2 **PICIOUS ACTIVITIES.**

3 (a) AMENDMENT RELATING TO CIVIL LIABILITY IM-  
4 MUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title  
5 31, United States Code, is amended to read as follows:

6 “(3) LIABILITY FOR DISCLOSURES.—

7 “(A) IN GENERAL.—Any financial institu-  
8 tion that makes a voluntary disclosure of any  
9 possible violation of law or regulation to a gov-  
10 ernment agency or makes a disclosure pursuant  
11 to this subsection or any other authority, and  
12 any director, officer, employee, or agent of such  
13 institution who makes, or requires another to  
14 make any such disclosure, shall not be liable to  
15 any person under any law or regulation of the  
16 United States, any constitution, law, or regula-  
17 tion of any State or political subdivision of any  
18 State, or under any contract or other legally en-  
19 forceable agreement (including any arbitration  
20 agreement), for such disclosure or for any fail-  
21 ure to provide notice of such disclosure to the  
22 person who is the subject of such disclosure or  
23 any other person identified in the disclosure.

24 “(B) RULE OF CONSTRUCTION.—Subpara-  
25 graph (A) shall not be construed as creating—



1                   “(i) any inference that the term ‘per-  
 2                   son’, as used in such subparagraph, may  
 3                   be construed more broadly than its ordi-  
 4                   nary usage so to include any government  
 5                   or agency of government; or

6                   “(ii) any immunity against, or other-  
 7                   wise affecting, any civil or criminal action  
 8                   brought by any government or agency of  
 9                   government to enforce any constitution,  
 10                  law, or regulation of such government or  
 11                  agency.”.

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

15                         “(2) NOTIFICATION PROHIBITED.—

16                                 “(A) IN GENERAL.—If a financial institu-  
 17                                 tion or any director, officer, employee, or agent  
 18                                 of any financial institution, voluntarily or pur-  
 19                                 suant to this section or any other authority, re-  
 20                                 ports a suspicious transaction to a government  
 21                                 agency—

22   “(i) the financial institution, director,  
 23   officer, employee, or agent may not notify  
 24   any person involved in the transaction that  
 25   the transaction has been reported; and



1           “(ii) no officer or employee of the  
2           Federal Government or of any State, local,  
3           tribal, or territorial government within the  
4           United States, who has any knowledge that  
5           such report was made may disclose to any  
6           person involved in the transaction that the  
7           transaction has been reported other than  
8           as necessary to fulfill the official duties of  
9           such officer or employee.

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



1 graph (A) applies, but such written employment  
2 reference may not disclose that such informa-  
3 tion was also included in any such report or  
4 that such report was made.”.

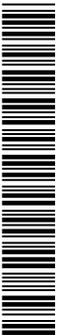
5 **SEC. 208. AUTHORIZATION TO INCLUDE SUSPICIONS OF IL-**  
6 **LEGAL ACTIVITY IN WRITTEN EMPLOYMENT**  
7 **REFERENCES.**

8 Section 18 of the Federal Deposit Insurance Act (12  
9 U.S.C. 1828) is amended by adding at the end the fol-  
10 lowing new subsection:

11 “(w) WRITTEN EMPLOYMENT REFERENCES MAY  
12 CONTAIN SUSPICIONS OF INVOLVEMENT IN ILLEGAL AC-  
13 TIVITY.—

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

24 “(2) DEFINITION.—For purposes of this sub-  
25 section, the term ‘insured depository institution’ in-



1 cludes any uninsured branch or agency of a foreign  
2 bank.”.

3 **TITLE III—COMBATTING INTER-**  
4 **NATIONAL MONEY LAUN-**  
5 **DERING**

6 **SEC. 301. SPECIAL MEASURES FOR JURISDICTIONS, FINAN-**  
7 **CIAL INSTITUTIONS, OR INTERNATIONAL**  
8 **TRANSACTIONS OF PRIMARY MONEY LAUN-**  
9 **DERING CONCERN.**

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

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

16 “(a) INTERNATIONAL COUNTER-MONEY LAUN-  
17 DERING REQUIREMENTS.—

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



1 or involving, a jurisdiction outside the United States  
2 is of primary money laundering concern, in accord-  
3 ance with subsection (d).

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

9 “(3) PROCESS FOR SELECTING SPECIAL MEAS-  
10 URES.—

11 “(A) CONSULTATION.—In selecting which  
12 special measure or measures to take under this  
13 subsection, the Secretary shall consult with the  
14 Chairman of the Board of Governors of the  
15 Federal Reserve System and, in the Secretary’s  
16 sole discretion, such other agencies and inter-  
17 ested parties as the Secretary may find to be  
18 appropriate.

19 “(B) FACTORS.—The Secretary also shall  
20 consider—

21 “(i) whether similar action has been  
22 or is being taken by other nations or multi-  
23 lateral groups;

24 “(ii) whether the imposition of any  
25 particular special measure would create a



1 significant competitive disadvantage, in-  
2 cluding any undue cost or burden associ-  
3 ated with compliance, for financial institu-  
4 tions organized or licensed in the United  
5 States; and

6 “(iii) the extent to which the action  
7 would have a significant adverse systemic  
8 impact on the international payment, clear-  
9 ance and settlement system, or on legiti-  
10 mate business activities involving the par-  
11 ticular jurisdiction, institution, or class of  
12 transactions.

13 “(4) NO LIMITATION ON OTHER AUTHORITY.—  
14 This section shall not be construed as superseding or  
15 otherwise restricting any other authority granted to  
16 the Secretary, or to any other agency, by this sub-  
17 chapter or otherwise.

18 “(b) SPECIAL MEASURES.—The special measures re-  
19 ferred to in subsection (a), with respect to a jurisdiction  
20 outside the United States, financial institution operating  
21 outside the United States, or class of transaction within,  
22 or involving, a jurisdiction outside the United States, are  
23 as follows:

24 “(1) RECORDKEEPING AND REPORTING OF  
25 CERTAIN FINANCIAL TRANSACTIONS.—



1           “(A) IN GENERAL.—The Secretary may re-  
2           quire any domestic financial institution or do-  
3           mestic financial agency to maintain records, file  
4           reports, or both, concerning the aggregate  
5           amount of transactions, or concerning each  
6           transaction, with respect to a jurisdiction out-  
7           side the United States, 1 or more financial in-  
8           stitutions operating outside the United States,  
9           or 1 or more classes of transactions within, or  
10          involving, a jurisdiction outside the United  
11          States, if the Secretary finds any such jurisdic-  
12          tion, institution, or class of transactions to be  
13          of primary money laundering concern.

14          “(B) FORM OF RECORDS AND REPORTS.—  
15          Such records and reports shall be made and re-  
16          tained at such time, in such manner, and for  
17          such period of time, as the Secretary shall de-  
18          termine, and shall include such information as  
19          the Secretary may determine, including—

20                  “(i) the identity and address of the  
21                  participants in a transaction or relation-  
22                  ship, including the identity of the origi-  
23                  nator of any funds transfer;

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



1                   “(iii) information concerning the bene-  
2                   ficial ownership of the funds involved in  
3                   any transaction, in accordance with steps  
4                   the Secretary has determined to be reason-  
5                   able and practicable to obtain and retain  
6                   such information; and

7                   “(iv) a description of any transaction.

8                   “(2) INFORMATION RELATING TO BENEFICIAL  
9                   OWNERSHIP.—In addition to any other requirement  
10                  under any other law, the Secretary may require any  
11                  domestic financial institution or domestic financial  
12                  agency to take such steps as the Secretary may de-  
13                  termine to be reasonable and practicable to obtain  
14                  and retain information concerning the beneficial  
15                  ownership of any account opened or maintained in  
16                  the United States by a foreign person (other than a  
17                  foreign entity whose shares are subject to public re-  
18                  porting requirements or are listed and traded on a  
19                  regulated exchange or trading market), or a rep-  
20                  resentative of such a foreign person, that involves a  
21                  jurisdiction outside the United States, 1 or more fi-  
22                  nancial institutions operating outside the United  
23                  States, or 1 or more classes of transactions within,  
24                  or involving, a jurisdiction outside the United States,  
25                  if the Secretary finds any such jurisdiction, institu-



1       tion, or transaction to be of primary money laun-  
2       dering concern.

3               “(3) INFORMATION RELATING TO CERTAIN PAY-  
4       ABLE-THROUGH ACCOUNTS.—If the Secretary finds  
5       a jurisdiction outside the United States, 1 or more  
6       financial institutions operating outside the United  
7       States, or 1 or more classes of transactions within,  
8       or involving, a jurisdiction outside the United States  
9       to be of primary money laundering concern, the Sec-  
10      retary may require any domestic financial institution  
11      or domestic financial agency that opens or maintains  
12      a payable-through account in the United States for  
13      a foreign financial institution involving any such ju-  
14      risdiction or any such financial institution operating  
15      outside the United States, or a payable-through ac-  
16      count through which any such transaction may be  
17      conducted, as a condition of opening or maintaining  
18      such account, to—

19               “(A) identify each customer (and rep-  
20      resentative of such customer) of such financial  
21      institution who is permitted to use, or whose  
22      transactions are routed through, such payable-  
23      through account; and

24               “(B) obtain, with respect to each such cus-  
25      tomer (and each such representative), the same



1 information that the depository institution ob-  
2 tains in the ordinary course of business with re-  
3 spect to its customers residing in the United  
4 States.

5 “(4) INFORMATION RELATING TO CERTAIN COR-  
6 RESPONDENT ACCOUNTS.—If the Secretary finds a  
7 jurisdiction outside the United States, 1 or more fi-  
8 nancial institutions operating outside the United  
9 States, or 1 or more classes of transactions within,  
10 or involving, a jurisdiction outside the United States  
11 to be of primary money laundering concern, the Sec-  
12 retary may require any domestic financial institution  
13 or domestic financial agency that opens or maintains  
14 a correspondent account in the United States for a  
15 foreign financial institution involving any such juris-  
16 diction or any such financial institution operating  
17 outside the United States, or a correspondent ac-  
18 count through which any such transaction may be  
19 conducted, as a condition of opening or maintaining  
20 such account, to—

21 “(A) identify each customer (and rep-  
22 resentative of such customer) of any such finan-  
23 cial institution who is permitted to use, or  
24 whose transactions are routed through, such  
25 correspondent account; and



1           “(B) obtain, with respect to each such cus-  
2           tomer (and each such representative), the same  
3           information that the depository institution ob-  
4           tains in the ordinary course with respect to its  
5           customers residing in the United States.

6           “(5) PROHIBITIONS OR CONDITIONS ON OPEN-  
7           ING OR MAINTAINING CERTAIN CORRESPONDENT OR  
8           PAYABLE-THROUGH ACCOUNTS.—If the Secretary  
9           finds a jurisdiction outside the United States, 1 or  
10          more financial institutions operating outside the  
11          United States, or 1 or more classes of transactions  
12          within, or involving, a jurisdiction outside the United  
13          States to be of primary money laundering concern,  
14          the Secretary, in consultation with the Secretary of  
15          State, the Attorney General, and the Chairman of  
16          the Board of Governors of the Federal Reserve Sys-  
17          tem, may prohibit, or impose conditions upon, the  
18          opening or maintaining in the United States of a  
19          correspondent account or payable-through account  
20          by any domestic financial institution or domestic fi-  
21          nancial agency for or on behalf of a foreign banking  
22          institution if such correspondent account or payable-  
23          through account involves any such jurisdiction or in-  
24          stitution, or if any such transaction may be con-



1 ducted through such correspondent account or pay-  
2 able-through account.

3 “(c) PROHIBITION ON UNITED STATES COR-  
4 RESPONDENT ACCOUNTS WITH FOREIGN SHELL  
5 BANKS.—

6 “(1) IN GENERAL.—A depository institution  
7 shall not establish, maintain, administer, or manage  
8 a correspondent account in the United States for, or  
9 on behalf of, a foreign bank that does not have a  
10 physical presence in any country.

11 “(2) PREVENTION OF INDIRECT SERVICE TO  
12 FOREIGN SHELL BANKS.—A depository institution  
13 shall take reasonable steps to ensure that any cor-  
14 respondent account established, maintained, admin-  
15 istered, or managed by that institution in the United  
16 States for a foreign bank is not being used by that  
17 foreign bank to indirectly provide banking services to  
18 another foreign bank that does not have a physical  
19 presence in any country.

20 “(3) EXCEPTION.—Paragraphs (1) and (2)  
21 shall not be construed as prohibiting a depository in-  
22 stitution from providing a correspondent account to  
23 a foreign bank, if the foreign bank—

24 “(A) is an affiliate of a depository institu-  
25 tion, credit union, financial services company,



1 or other foreign bank that maintains a physical  
2 presence in the United States or a foreign coun-  
3 try, as applicable; and

4 “(B) is subject to supervision by a banking  
5 authority in the country regulating the affili-  
6 ated depository institution, credit union, finan-  
7 cial services company, or foreign bank, de-  
8 scribed in subparagraph (A), as applicable.

9 “(4) DEFINITIONS.—For purposes of this sub-  
10 section, the following definitions shall apply:

11 “(A) AFFILIATE.—The term ‘affiliate’  
12 means a foreign bank that is controlled by or  
13 is under common control with a depository in-  
14 stitution, credit union, financial services com-  
15 pany, or foreign bank.

16 “(B) DEPOSITORY INSTITUTION.—The ‘de-  
17 pository institution’—

18 “(i) has the meaning given such term  
19 in section 3 of the Federal Deposit Insur-  
20 ance Act; and

21 “(ii) includes a credit union.

22 “(C) PHYSICAL PRESENCE.—The term  
23 ‘physical presence’ means a place of business  
24 that—

25 “(i) is maintained by a foreign bank;



1           “(ii) is located at a fixed address  
2           (other than solely an electronic address) in  
3           a country in which the foreign bank is au-  
4           thorized to conduct banking activities, at  
5           which location the foreign bank—

6                       “(I) employs 1 or more individ-  
7                       uals on a full-time basis; and

8                       “(II) maintains operating records  
9                       related to its banking activities; and

10                      “(iii) is subject to inspection by the  
11                      banking authority which licensed the for-  
12                      eign bank to conduct banking activities.

13           “(d) CONSULTATIONS AND INFORMATION TO BE  
14           CONSIDERED IN FINDING JURISDICTIONS, INSTITUTIONS,  
15           OR TRANSACTIONS TO BE OF PRIMARY MONEY LAUN-  
16           DERING CONCERN.—

17                      “(1) IN GENERAL.—In making a finding that  
18                      reasonable grounds exist for concluding that a juris-  
19                      diction outside the United States, 1 or more finan-  
20                      cial institutions operating outside the United States,  
21                      or 1 or more classes of transactions within, or in-  
22                      volving, a jurisdiction outside the United States is of  
23                      primary money laundering concern so as to author-  
24                      ize the Secretary to invoke 1 or more of the special  
25                      measures of subsection (b), the Secretary shall con-



1       sult with the Secretary of State, the Attorney Gen-  
2       eral, the Secretary of Commerce, and the United  
3       States Trade Representative.

4               “(2) INFORMATION.—The Secretary also shall  
5       consider such information as the Secretary considers  
6       to be relevant, including the following potentially rel-  
7       evant factors:

8               “(A) In the case of a particular  
9       jurisdiction—

10              “(i) the extent to which that jurisdic-  
11       tion or financial institutions operating  
12       therein offer bank secrecy or special tax or  
13       regulatory advantages to nonresidents or  
14       nondomiciliaries of such jurisdiction;

15              “(ii) the substance and quality of ad-  
16       ministration of that jurisdiction’s bank su-  
17       pervisory and counter-money laundering  
18       laws;

19              “(iii) the relationship between the vol-  
20       ume of financial transactions occurring in  
21       that jurisdiction and the size of the juris-  
22       diction’s economy;

23              “(iv) the extent to which that jurisdic-  
24       tion is characterized as a tax haven or off-  
25       shore banking or secrecy haven by credible



1 international organizations or multilateral  
2 expert groups;

3 “(v) whether the United States has a  
4 mutual legal assistance treaty with that ju-  
5 risdiction, and the experience of United  
6 States law enforcement officials, regulatory  
7 officials, and tax administrators in obtain-  
8 ing information about transactions origi-  
9 nating in or routed through or to such ju-  
10 risdiction; and

11 “(vi) the extent to which that jurisdic-  
12 tion is characterized by high levels of offi-  
13 cial or institutional corruption.

14 “(B) In the case of a decision to apply 1  
15 or more of the special measures described in  
16 subsection (b) only to a financial institution or  
17 institutions, or to a transaction or class of  
18 transactions, or to both, within, or involving, a  
19 particular jurisdiction—

20 “(i) the extent to which such financial  
21 institutions or transactions are used to fa-  
22 cilitate or promote money laundering in or  
23 through the jurisdiction;

24 “(ii) the extent to which such institu-  
25 tions or transactions are used for legiti-



1           mate business purposes in such jurisdic-  
2           tion; and

3                   “(iii) the extent to which such action  
4           is sufficient to ensure, with respect to  
5           transactions involving such jurisdiction and  
6           institutions operating in such jurisdiction,  
7           that the purposes of this subchapter con-  
8           tinue to be fulfilled, and to guard against  
9           international money laundering and other  
10          financial crimes.

11          “(e) NOTIFICATION OF SPECIAL MEASURES IN-  
12          VOKED BY THE SECRETARY.—Within 10 days after the  
13          date of any action taken by the Secretary under subsection  
14          (a)(1), the Secretary shall notify, in writing, the Com-  
15          mittee on Financial Services of the House of Representa-  
16          tives and the Committee on Banking, Housing, and Urban  
17          Affairs of the Senate of any such action.

18          “(f) DEFINITIONS.—Notwithstanding any other pro-  
19          vision of this subchapter, for purposes of this section, the  
20          following definitions shall apply:

21                   “(1) DEFINED TERMS.—

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

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



1                   “(I) means a formal banking or  
2                   business relationship established to  
3                   provide regular services, dealings, and  
4                   other financial transactions; and

5                   “(II) includes a demand deposit,  
6                   savings deposit, or other transaction  
7                   or asset account and a credit account  
8                   or other extension of credit.

9                   “(ii) CORRESPONDENT ACCOUNT.—  
10                  The term ‘correspondent account’ means  
11                  an account established to receive deposits  
12                  from and make payments on behalf of a  
13                  foreign financial institution.

14                  “(iii) PAYABLE-THROUGH ACCOUNT.—  
15                  The term ‘payable-through account’ means  
16                  an account, including a transaction ac-  
17                  count (as defined in section 19(b)(1)(C) of  
18                  the Federal Reserve Act), opened at a de-  
19                  pository institution by a foreign financial  
20                  institution by means of which the foreign  
21                  financial institution permits its customers  
22                  to engage, either directly or through a sub-  
23                  account, in banking activities usual in con-  
24                  nection with the business of banking in the  
25                  United States.



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

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

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

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

18   **SEC. 302. INTERNATIONAL COOPERATION IN INVESTIGA-**  
19                           **TIONS OF MONEY LAUNDERING, FINANCIAL**  
20                           **CRIMES, AND THE FINANCES OF TERRORIST**  
21                           **GROUPS.**

22          (a) NEGOTIATIONS.—

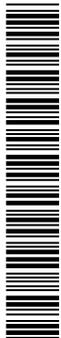
23                  (1) IN GENERAL.—In addition to the require-  
24          ments of section 4702 of the Anti-Drug Abuse Act



1 of 1988, the Secretary of the Treasury (hereinafter  
2 in this section referred to as the “Secretary”), in  
3 consultation with the Attorney General, the Sec-  
4 retary of State, and the Board of Governors of the  
5 Federal Reserve System, shall enter into negotia-  
6 tions with the appropriate financial supervisory  
7 agencies and other officials of any foreign country  
8 the financial institutions of which do business with  
9 United States financial institutions or which may be  
10 utilized by any foreign terrorist organization (as des-  
11 ignated under section 219 of the Immigration and  
12 Nationality Act), any person who is a member or  
13 representative of any such organization, or any per-  
14 son engaged in money laundering or financial or  
15 other crimes.

16 (2) PURPOSES OF NEGOTIATIONS.—In carrying  
17 out negotiations under paragraph (1), the Secretary  
18 shall seek to enter into and further cooperative ef-  
19 forts, voluntary information exchanges, the use of  
20 letters rogatory, mutual legal assistance treaties,  
21 and international agreements to—

22 (A) ensure that foreign banks and other fi-  
23 nancial institutions maintain adequate records  
24 of—



1 (i) large United States currency  
2 transactions; and

3 (ii) transaction and account informa-  
4 tion relating to any foreign terrorist orga-  
5 nization (as designated under section 219  
6 of the Immigration and Nationality Act),  
7 any person who is a member or representa-  
8 tive of any such organization, or any per-  
9 son engaged in money laundering or finan-  
10 cial or other crimes; and

11 (B) establish a mechanism whereby such records  
12 may be made available to United States law enforce-  
13 ment officials and domestic financial institution su-  
14 pervisors, when appropriate.

15 (b) REPORTS.—

16 (1) INTERIM REPORT.—Not later than 1 year  
17 after the date of enactment of this Act, the Sec-  
18 retary shall submit an interim report to the Con-  
19 gress on progress in the negotiations under sub-  
20 section (a).

21 (2) FINAL REPORT.—Not later than 2 years  
22 after the date of the enactment of this Act, the Sec-  
23 retary shall submit a final report to the President  
24 and the Congress, on the outcome of negotiations  
25 under subsection (a).



1           (3) IDENTIFICATION OF CERTAIN COUNTRIES.—In  
2 the report submitted under paragraph (2), the Secretary  
3 shall identify countries—

4                   (A) with respect to which the Secretary de-  
5 termines there is evidence that the financial in-  
6 stitutions in such countries are being utilized,  
7 knowingly or unwittingly, by any foreign ter-  
8 rorist organization (as designated under section  
9 219 of the Immigration and Nationality Act),  
10 any person who is a member or representative  
11 of any such organization, or any person en-  
12 gaged in money laundering or financial or other  
13 crimes; and

14                   (B) which have not reached agreement  
15 with United States authorities to meet the ob-  
16 jectives of subparagraphs (A) and (B) of sub-  
17 section (a)(2).

18           (c) AUTHORITY FOR OTHER ACTION.—

19                   (1) IN GENERAL.—If the President determines  
20 that—

21                           (A) a foreign country is described in  
22 subparagraphs (A) and (B) of subsection  
23 (b)(3); and



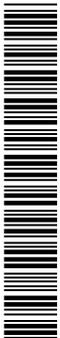
1 (B) such country is not negotiating in  
2 good faith to reach an agreement described  
3 in subsection (a)(2),  
4 the President may impose appropriate penalties and  
5 sanctions on such country and, except as provided in  
6 paragraph (3), financial institutions of such country.

7 (2) PENALTIES AND SANCTIONS.—The pen-  
8 alties and sanctions which may be imposed by the  
9 President under paragraph (1) include temporarily  
10 or permanently—

11 (A) prohibiting such persons, institutions,  
12 or other entities as the President may designate  
13 in any such country from participating in any  
14 United States dollar clearing or wire transfer  
15 system; and

16 (B) prohibiting such persons, institutions  
17 or entities as the President may designate in  
18 such countries from maintaining an account  
19 with any bank or other financial institution  
20 chartered under the laws of the United States  
21 or any State.

22 (3) EXEMPTION FOR CERTAIN FINANCIAL IN-  
23 STITUTIONS.—Financial institutions that maintain  
24 adequate records shall be exempt from such pen-  
25 alties and sanctions.



1 **SEC. 303. PROHIBITION ON ACCEPTANCE OF ANY BANK IN-**  
2 **STRUMENT FOR UNLAWFUL INTERNET GAM-**  
3 **BLING.**

4 (a) IN GENERAL.—No person engaged in the busi-  
5 ness of betting or wagering may knowingly accept, in con-  
6 nection with the participation of another person in unlaw-  
7 ful Internet gambling—

8 (1) credit, or the proceeds of credit, extended to  
9 or on behalf of such other person (including credit  
10 extended through the use of a credit card);

11 (2) an electronic fund transfer or funds trans-  
12 mitted by or through a money transmitting business,  
13 or the proceeds of an electronic fund transfer or  
14 money transmitting service, from or on behalf of the  
15 other person;

16 (3) any check, draft, or similar instrument  
17 which is drawn by or on behalf of the other person  
18 and is drawn on or payable at or through any finan-  
19 cial institution; or

20 (4) the proceeds of any other form of financial  
21 transaction as the Secretary may prescribe by regu-  
22 lation which involves a financial institution as a  
23 payor or financial intermediary on behalf of or for  
24 the benefit of the other person.

25 (b) DEFINITIONS.—For purposes of this Act, the fol-  
26 lowing definitions shall apply:



1           (1) BETS OR WAGERS.—The term “bets or  
2 wagers”—

3           (A) means the staking or risking by any  
4 person of something of value upon the outcome  
5 of a contest of others, a sporting event, or a  
6 game subject to chance, upon an agreement or  
7 understanding that the person or another per-  
8 son will receive something of greater value than  
9 the amount staked or risked in the event of a  
10 certain outcome;

11           (B) includes the purchase of a chance or  
12 opportunity to win a lottery or other prize  
13 (which opportunity to win is predominantly sub-  
14 ject to chance);

15           (C) includes any scheme of a type de-  
16 scribed in section 3702 of title 28;

17           (D) includes any instructions or informa-  
18 tion pertaining to the establishment or move-  
19 ment of funds in an account by the bettor or  
20 customer with the business of betting or wager-  
21 ing; and

22           (E) does not include—

23           (i) any bona fide business transaction  
24 governed by the securities laws (as that  
25 term is defined in section 3(a)(47) of the



1 Securities Exchange Act of 1934) for the  
2 purchase or sale at a future date of securi-  
3 ties (as that term is defined in section  
4 3(a)(10) of such Act);

5 (ii) any transaction on or subject to  
6 the rules of a contract market designated  
7 pursuant to section 5 of the Commodity  
8 Exchange Act;

9 (iii) any over-the-counter derivative  
10 instrument;

11 (iv) any contract of indemnity or  
12 guarantee;

13 (v) any contract for life, health, or ac-  
14 cident insurance;

15 “(vi) any deposit or other transaction  
16 with a depository institution (as defined in  
17 section 3(c) of the Federal Deposit Insur-  
18 ance Act)

19 (vii) any participation in a simulation  
20 sports game or an educational game or  
21 contest that—

22 (I) is not dependent solely on the  
23 outcome of any single sporting event  
24 or nonparticipant’s singular individual



1 performance in any single sporting  
2 event;

3 (II) has an outcome that reflects  
4 the relative knowledge and skill of the  
5 participants with such outcome deter-  
6 mined predominantly by accumulated  
7 statistical results of sporting events;  
8 and

9 (III) offers a prize or award to a  
10 participant that is established in ad-  
11 vance of the game or contest and is  
12 not determined by the number of par-  
13 ticipants or the amount of any fees  
14 paid by those participants.

15 (2) BUSINESS OF BETTING OR WAGERING.—

16 The term “business of betting or wagering” does not  
17 include, other than for purposes of subsection (e),  
18 any creditor, credit card issuer, insured depository  
19 institution, financial institution, operator of a ter-  
20 minal at which an electronic fund transfer may be  
21 initiated, money transmitting business, or inter-  
22 national, national, regional, or local network utilized  
23 to effect a credit transaction, electronic fund trans-  
24 fer, stored value product transaction, or money



1 transmitting service, or any participant in such net-  
2 work.

3 (3) INTERNET.—The term “Internet” means  
4 the international computer network of interoperable  
5 packet switched data networks.

6 (4) UNLAWFUL INTERNET GAMBLING.—The  
7 term “unlawful Internet gambling” means to place,  
8 receive, or otherwise transmit a bet or wager by any  
9 means which involves the use, at least in part, of the  
10 Internet where such bet or wager is unlawful under  
11 any applicable Federal or State law in the State in  
12 which the bet or wager is initiated, received, or oth-  
13 erwise made.

14 (5) OTHER TERMS.—

15 (A) CREDIT; CREDITOR; AND CREDIT  
16 CARD.—The terms “credit”, “creditor”, and  
17 “credit card” have the meanings given such  
18 terms in section 103 of the Truth in Lending  
19 Act.

20 (B) ELECTRONIC FUND TRANSFER.—The  
21 term “electronic fund transfer”—

22 (i) has the meaning given such term  
23 in section 903 of the Electronic Fund  
24 Transfer Act; and



1 (ii) includes any fund transfer covered  
 2 by Article 4A of the Uniform Commercial  
 3 Code, as in effect in any State.

4 (C) FINANCIAL INSTITUTION.—The term  
 5 “financial institution” has the meaning given  
 6 such term in section 903 of the Electronic  
 7 Fund Transfer Act.

8 (D) MONEY TRANSMITTING BUSINESS AND  
 9 MONEY TRANSMITTING SERVICE.—The terms  
 10 “money transmitting business” and “money  
 11 transmitting service” have the meanings given  
 12 such terms in section 5330(d) of title 31,  
 13 United States Code.

14 (E) SECRETARY.—The term “Secretary”  
 15 means the Secretary of the Treasury.

16 (c) CIVIL REMEDIES.—

17 (1) JURISDICTION.—The district courts of the  
 18 United States shall have original and exclusive juris-  
 19 diction to prevent and restrain violations of this sec-  
 20 tion by issuing appropriate orders in accordance  
 21 with this section, regardless of whether a prosecu-  
 22 tion has been initiated under this section.

23 (2) PROCEEDINGS.—

24 (A) INSTITUTION BY FEDERAL GOVERN-  
 25 MENT.—



1 (i) IN GENERAL.—The United States,  
 2 acting through the Attorney General, may  
 3 institute proceedings under this subsection  
 4 to prevent or restrain a violation of this  
 5 section.

6 (ii) RELIEF.—Upon application of the  
 7 United States under this subparagraph,  
 8 the district court may enter a preliminary  
 9 injunction or an injunction against any  
 10 person to prevent or restrain a violation of  
 11 this section, in accordance with Rule 65 of  
 12 the Federal Rules of Civil Procedure.

13 (B) INSTITUTION BY STATE ATTORNEY  
 14 GENERAL.—

15 (i) IN GENERAL.—The attorney gen-  
 16 eral of a State (or other appropriate State  
 17 official) in which a violation of this section  
 18 allegedly has occurred or will occur may in-  
 19 stitute proceedings under this subsection to  
 20 prevent or restrain the violation.

21 (ii) RELIEF.—Upon application of the  
 22 attorney general (or other appropriate  
 23 State official) of an affected State under  
 24 this subparagraph, the district court may  
 25 enter a preliminary injunction or an in-



1 junction against any person to prevent or  
2 restrain a violation of this section, in ac-  
3 cordance with Rule 65 of the Federal  
4 Rules of Civil Procedure.

5 (C) INDIAN LANDS.—

6 (i) IN GENERAL.—Notwithstanding  
7 subparagraphs (A) and (B), for a violation  
8 that is alleged to have occurred, or may  
9 occur, on Indian lands (as that term is de-  
10 fined in section 4 of the Indian Gaming  
11 Regulatory Act)—

12 (I) the United States shall have  
13 the enforcement authority provided  
14 under subparagraph (A); and

15 (II) the enforcement authorities  
16 specified in an applicable Tribal-State  
17 compact negotiated under section 11  
18 of the Indian Gaming Regulatory Act  
19 shall be carried out in accordance  
20 with that compact.

21 (ii) RULE OF CONSTRUCTION.—No  
22 provision of this section shall be construed  
23 as altering, superseding, or otherwise af-  
24 fecting the application of the Indian Gam-  
25 ing Regulatory Act.



1 (D) BANKING REGULATORS.—Before initi-  
2 ating any proceeding under this paragraph with  
3 respect to a violation or potential violation of  
4 subsection (e) by an insured depository institu-  
5 tion (as defined in section 3 of the Federal De-  
6 posit Insurance Act), the Attorney General of  
7 the United States or an attorney general of a  
8 State (or other appropriate State official)  
9 shall—

10 (i) notify the appropriate Federal  
11 banking agency (as defined in such sec-  
12 tion) of such violation or potential viola-  
13 tion; and

14 (ii) allow such agency a reasonable  
15 time to issue an order to such insured de-  
16 pository institution under section 8(x) of  
17 the Federal Deposit Insurance Act.

18 (3) EXPEDITED PROCEEDINGS.—

19 (A) IN GENERAL.—In addition to any pro-  
20 ceeding under paragraph (2), a district court  
21 may, in exigent circumstances, enter a tem-  
22 porary restraining order against a person al-  
23 leged to be in violation of this section upon ap-  
24 plication of the United States under paragraph  
25 (2)(A), or the attorney general (or other appro-



1           priate State official) of an affected State under  
2           paragraph (2)(B), in accordance with Rule  
3           65(b) of the Federal Rules of Civil Procedure.

4           (d) CRIMINAL PENALTY.—

5           (1) IN GENERAL.—Whoever violates this section  
6           shall be fined under title 18, United States Code, or  
7           imprisoned for not more than 5 years, or both.

8           (2) PERMANENT INJUNCTION.—Upon convic-  
9           tion of a person under this subsection, the court  
10          may enter a permanent injunction enjoining such  
11          person from placing, receiving, or otherwise making  
12          bets or wagers or sending, receiving, or inviting in-  
13          formation assisting in the placing of bets or wagers.

14          (e) CIRCUMVENTIONS PROHIBITED.—Notwith-  
15          standing subsection (b)(2), a creditor, credit card issuer,  
16          financial institution, operator of a terminal at which an  
17          electronic fund transfer may be initiated, money transmit-  
18          ting business, or international, national, regional, or local  
19          network utilized to effect a credit transaction, electronic  
20          fund transfer, or money transmitting service, or any par-  
21          ticipant in such network, may be liable under this section  
22          if such creditor, issuer, institution, operator, business, net-  
23          work, or participant—

24                 (1) operates, manages, supervises, or directs an  
25          Internet website at which unlawful bets or wagers



1       may be placed, received, or otherwise made or at  
2       which unlawful bets or wagers are offered to be  
3       placed, received, or otherwise made; or

4               (2) owns or controls, or is owned or controlled  
5       by, any person who operates, manages, supervises,  
6       or directs an Internet website at which unlawful bets  
7       or wagers may be placed, received, or otherwise  
8       made or at which unlawful bets or wagers are of-  
9       fered to be placed, received, or otherwise made.

10       (f) ENFORCEMENT ACTIONS.—Section 8 of the Fed-  
11       eral Deposit Insurance Act (12 U.S.C. 1818) is amended  
12       by adding at the end the following new subsection:

13               “(x) DEPOSITORY INSTITUTION INVOLVEMENT IN  
14       INTERNET GAMBLING.—If any appropriate Federal bank-  
15       ing agency determines that any insured depository institu-  
16       tion is engaged in any of the following activities, the agen-  
17       cy may issue an order to such institution prohibiting such  
18       institution from continuing to engage in any of the fol-  
19       lowing activities:

20               “(1) Extending credit, or facilitating an exten-  
21       sion of credit, electronic fund transfer, or money  
22       transmitting service with the actual knowledge that  
23       any person is violating section 3(a) of the Unlawful  
24       Internet Gambling Funding Prohibition Act in con-



1 nection with such extension of credit, electronic fund  
2 transfer, or money transmitting service.

3 “(2) Paying, transferring, or collecting on any  
4 check, draft, or other instrument drawn on any de-  
5 pository institution with the actual knowledge that  
6 any person is violating section 3(a) of the Unlawful  
7 Internet Gambling Funding Prohibition Act in con-  
8 nection with such check, draft, or other instru-  
9 ment.”.

10 **SEC. 304. INTERNET GAMBLING IN OR THROUGH FOREIGN**  
11 **JURISDICTIONS.**

12 (a) IN GENERAL.—In deliberations between the  
13 United States Government and any other country on  
14 money laundering, corruption, and crime issues, the  
15 United States Government should—

16 (1) encourage cooperation by foreign govern-  
17 ments and relevant international fora in identifying  
18 whether Internet gambling operations are being used  
19 for money laundering, corruption, or other crimes;

20 (2) advance policies that promote the coopera-  
21 tion of foreign governments, through information  
22 sharing or other measures, in the enforcement of  
23 this Act; and

24 (3) encourage the Financial Action Task Force  
25 on Money Laundering, in its annual report on



1 money laundering typologies, to study the extent to  
2 which Internet gambling operations are being used  
3 for money laundering.

4 (b) REPORT REQUIRED.—The Secretary of the  
5 Treasury shall submit an annual report to the Congress  
6 on the deliberations between the United States and other  
7 countries on issues relating to Internet gambling.

8 **TITLE IV—CURRENCY**  
9 **PROTECTION**

10 **SEC. 401. COUNTERFEITING DOMESTIC CURRENCY AND OB-**  
11 **LIGATIONS.**

12 (a) COUNTERFEIT ACTS COMMITTED OUTSIDE THE  
13 UNITED STATES.—Section 470 of title 18, United States  
14 Code, is amended—

15 (1) in paragraph (2), by inserting “analog, dig-  
16 ital, or electronic image,” after “plate, stone,”; and

17 (2) by striking “shall be fined under this title,  
18 imprisoned not more than 20 years, or both” and in-  
19 serting “shall be punished as is provided for the like  
20 offense within the United States”.

21 (b) OBLIGATIONS OR SECURITIES OF THE UNITED  
22 STATES.—Section 471 of title 18, United States Code, is  
23 amended by striking “fifteen years” and inserting “20  
24 years”.



1 (c) UTTERING COUNTERFEIT OBLIGATIONS OR SE-  
2 CURITIES.—Section 472 of title 18, United States Code,  
3 is amended by striking “fifteen years” and inserting “20  
4 years”.

5 (d) DEALING IN COUNTERFEIT OBLIGATIONS OR SE-  
6 CURITIES.—Section 473 of title 18, United States Code,  
7 is amended by striking “ten years” and inserting “20  
8 years”.

9 (e) PLATES, STONES, OR ANALOG, DIGITAL, OR  
10 ELECTRONIC IMAGES FOR COUNTERFEITING OBLIGA-  
11 TIONS OR SECURITIES.—

12 (1) IN GENERAL.—Section 474(a) of title 18,  
13 United States Code, is amended by inserting after  
14 the second paragraph the following new paragraph:

15 “Whoever, with intent to defraud, makes, exe-  
16 cutes, acquires, scans, captures, records, receives,  
17 transmits, reproduces, sells, or has in such person’s  
18 control, custody, or possession, an analog, digital, or  
19 electronic image of any obligation or other security  
20 of the United States; or”.

21 (2) AMENDMENT TO DEFINITION.—Section  
22 474(b) of title 18, United States Code, is amended  
23 by striking the first sentence and inserting the fol-  
24 lowing new sentence: “For purposes of this section,  
25 the term ‘analog, digital, or electronic image’ in-



1 includes any analog, digital, or electronic method used  
2 for the making, execution, acquisition, scanning,  
3 capturing, recording, retrieval, transmission, or re-  
4 production of any obligation or security, unless such  
5 use is authorized by the Secretary of the Treasury.”.

6 (3) CLERICAL AMENDMENT.—The heading for  
7 section 474 of title 18, United States Code, is  
8 amended by striking “**or stones**” and inserting “,  
9 **stones, or analog, digital, or electronic**  
10 **images**”.

11 (f) TAKING IMPRESSIONS OF TOOLS USED FOR OB-  
12 LIGATIONS OR SECURITIES.—Section 476 of title 18,  
13 United States Code, is amended—

14 (1) by inserting “analog, digital, or electronic  
15 image,” after “impression, stamp,”; and

16 (2) by striking “ten years” and inserting “25  
17 years”.

18 (g) POSSESSING OR SELLING IMPRESSIONS OF  
19 TOOLS USED FOR OBLIGATIONS OR SECURITIES.—Sec-  
20 tion 477 of title 18, United States Code, is amended—

21 (1) in the first paragraph, by inserting “analog,  
22 digital, or electronic image,” after “imprint,  
23 stamp,”;



1 (2) in the second paragraph, by inserting “ana-  
2 log, digital, or electronic image,” after “imprint,  
3 stamp,”; and

4 (3) in the third paragraph, by striking “ten  
5 years” and inserting “25 years”.

6 (h) CONNECTING PARTS OF DIFFERENT NOTES.—  
7 Section 484 of title 18, United States Code, is amended  
8 by striking “five years” and inserting “10 years”.

9 (i) BONDS AND OBLIGATIONS OF CERTAIN LENDING  
10 AGENCIES.—The first and second paragraphs of section  
11 493 of title 18, United States Code, are each amended  
12 by striking “five years” and inserting “10 years”.

13 **SEC. 402. COUNTERFEITING FOREIGN CURRENCY AND OB-**  
14 **LIGATIONS.**

15 (a) FOREIGN OBLIGATIONS OR SECURITIES.—Sec-  
16 tion 478 of title 18, United States Code, is amended by  
17 striking “five years” and inserting “20 years”.

18 (b) UTTERING COUNTERFEIT FOREIGN OBLIGA-  
19 TIONS OR SECURITIES.—Section 479 of title 18, United  
20 States Code, is amended by striking “three years” and  
21 inserting “20 years”.

22 (c) POSSESSING COUNTERFEIT FOREIGN OBLIGA-  
23 TIONS OR SECURITIES.—Section 480 of title 18, United  
24 States Code, is amended by striking “one year” and in-  
25 serting “20 years”.



1 (d) PLATES, STONES, OR ANALOG, DIGITAL, OR  
2 ELECTRONIC IMAGES FOR COUNTERFEITING FOREIGN  
3 OBLIGATIONS OR SECURITIES.—

4 (1) IN GENERAL.—Section 481 of title 18,  
5 United States Code, is amended by inserting after  
6 the second paragraph the following new paragraph:

7 “Whoever, with intent to defraud, makes, exe-  
8 cutes, acquires, scans, captures, records, receives,  
9 transmits, reproduces, sells, or has in such person’s  
10 control, custody, or possession, an analog, digital, or  
11 electronic image of any bond, certificate, obligation,  
12 or other security of any foreign government, or of  
13 any treasury note, bill, or promise to pay, lawfully  
14 issued by such foreign government and intended to  
15 circulate as money; or”.

16 (2) INCREASED SENTENCE.—The last para-  
17 graph of section 481 of title 18, United States Code,  
18 is amended by striking “five years” and inserting  
19 “25 years”.

20 (3) CLERICAL AMENDMENT.—The heading for  
21 section 481 of title 18, United States Code, is  
22 amended by striking “**or stones**” and inserting “,  
23 **stones, or analog, digital, or electronic**  
24 **images**”.



1 (e) FOREIGN BANK NOTES.—Section 482 of title 18,  
2 United States Code, is amended by striking “two years”  
3 and inserting “20 years”.

4 (f) UTTERING COUNTERFEIT FOREIGN BANK  
5 NOTES.—Section 483 of title 18, United States Code, is  
6 amended by striking “one year” and inserting “20 years”.

7 **SEC. 403. PRODUCTION OF DOCUMENTS.**

8 Section 5114(a) of title 31, United States Code (re-  
9 lating to engraving and printing currency and security  
10 documents), is amended—

11 (1) by striking “(a) The Secretary of the Treas-  
12 ury” and inserting:

13 “(a) AUTHORITY TO ENGRAVE AND PRINT.—

14 “(1) IN GENERAL.—The Secretary of the  
15 Treasury”; and

16 (2) by adding at the end the following new  
17 paragraph:

18 “(2) ENGRAVING AND PRINTING FOR OTHER  
19 GOVERNMENTS.—The Secretary of the Treasury  
20 may, if the Secretary determines that it will not  
21 interfere with engraving and printing needs of the  
22 United States, produce currency, postage stamps,  
23 and other security documents for foreign govern-  
24 ments, subject to a determination by the Secretary



1 of State that such production would be consistent  
2 with the foreign policy of the United States.”.

3 **SEC. 404. REIMBURSEMENT.**

4 Section 5143 of title 31, United States Code (relating  
5 to payment for services of the Bureau of Engraving and  
6 Printing), is amended—

7 (1) in the first sentence, by inserting “, any for-  
8 eign government, or any territory of the United  
9 States” after “agency”;

10 (2) in the second sentence, by inserting “and  
11 other” after “administrative”; and

12 (3) in the last sentence, by inserting “, foreign  
13 government, or territory of the United States” after  
14 “agency”.

