

115TH CONGRESS
1ST SESSION

S. 1241

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

IN THE SENATE OF THE UNITED STATES

MAY 25, 2017

Mr. GRASSLEY (for himself, Mrs. FEINSTEIN, Mr. CORNYN, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Combating Money Laundering, Terrorist Financing, and
6 Counterfeiting Act of 2017”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Transportation or transshipment of blank checks in bearer form.

Sec. 3. Bulk cash smuggling.

Sec. 4. Section 1957 violations involving commingled funds and aggregated transactions.

- Sec. 5. Charging money laundering as a course of conduct.
- Sec. 6. Illegal money services businesses.
- Sec. 7. Concealment money laundering.
- Sec. 8. Freezing bank accounts of persons arrested for offenses involving the movement of money across international borders.
- Sec. 9. Prohibiting money laundering through hawalas, other informal value transfer systems, and closely related transactions.
- Sec. 10. Technical amendment to restore wiretap authority for certain money laundering and counterfeiting offenses.
- Sec. 11. Making the international money laundering statute apply to tax evasion.
- Sec. 12. Conduct in aid of counterfeiting.
- Sec. 13. Prepaid access devices, digital currencies, or other similar instruments.
- Sec. 14. Administrative subpoenas for money laundering cases.
- Sec. 15. Obtaining foreign bank records from banks with United States correspondent accounts.
- Sec. 16. Danger pay allowance.
- Sec. 17. Clarification of Secret Service authority to investigate money laundering.
- Sec. 18. Prohibition on concealment of ownership of account.
- Sec. 19. Prohibition on concealment of the source of assets in monetary transactions.
- Sec. 20. Rule of construction.

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

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

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

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

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

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

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

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

10 “(2) FINE.—

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

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

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

1 **SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMUN-**
2 **GLED FUNDS AND AGGREGATED TRANS-**
3 **ACTIONS.**

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

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

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

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

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

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

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

24 “(ii) the identity of the parties in-
25 volved;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“(c) DEFINITIONS.—In this section—

“(1) the term ‘covered money services business’ means a money services business, as defined in section 5330 of title 31 or any regulations prescribed under that section, that—

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

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

“(2) the term ‘State’ means any State of the United States, the District of Columbia, the Northern Mariana Islands, and any commonwealth, territory, or possession of the United States.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) SECTION 1960 OF TITLE 18, UNITED STATES CODE.—

(A) SECTION HEADING.—Section 1960 of title 18, United States Code, is amended in the section heading—

(i) by striking “**unlicensed**” and inserting “**illegal**”; and

(ii) by striking “**transmitting**” and inserting “**services**”.

(B) TABLE OF SECTIONS.—The table of sections for chapter 95 of title 18, United States Code, is amended by striking the item relating to section 1960 and inserting the following:

“1960. Prohibition of illegal money services businesses.”.

(2) SECTION 5330 OF TITLE 31, UNITED STATES CODE.—

(A) HEADINGS.—Section 5330 of title 31, United States Code, is amended—

(i) in the section heading, by striking “**transmitting**” and inserting “**services**”;

(ii) in subsection (c)—

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

(II) in paragraph (1), in the paragraph heading, by striking

1 “TRANSMITTING” and inserting
 2 “SERVICES”; and

3 (III) in paragraph (2), in the
 4 paragraph heading, by striking
 5 “TRANSMITTING” and inserting
 6 “SERVICES”; and

7 (iii) in subsection (d)(1), in the para-
 8 graph heading, by striking “TRANSMIT-
 9 TING” and inserting “SERVICES”.

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

12 (i) by striking “money transmitting
 13 business” each place that term appears
 14 and inserting “money services business”;
 15 and

16 (ii) in subsection (a)(3), by striking
 17 “money transmitting businesses” and in-
 18 serting “a money services business”.

19 (C) TABLE OF SECTIONS.—The table of
 20 sections for subchapter II of chapter 53 of title
 21 31, United States Code, is amended by striking
 22 the item relating to section 5330 and inserting
 23 the following:

“5330. Registration of money services businesses.”.

1 **SEC. 7. CONCEALMENT MONEY LAUNDERING.**

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

4 (1) in paragraph (1)(B), by striking “knowing
5 that” and all that follows through “Federal law,”
6 and inserting the following:

7 “(B) knowing that the transaction—

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

12 “(ii) avoids, or is intended to avoid, a
13 transaction reporting requirement under State
14 or Federal law,”; and

15 (2) in paragraph (2)(B), by striking “knowing
16 that” and all that follows through “Federal law,”
17 and inserting the following:

18 “(B) knowing that—

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

23 “(ii) the transportation, transmission, or
24 transfer—

25 “(I) conceals or disguises, or is in-
26 tended to conceal or disguise, the nature,

1 source, location, ownership, or control of
 2 the proceeds of some form of unlawful ac-
 3 tivity; or

4 “(II) avoids, or is intended to avoid, a
 5 transaction reporting requirement under
 6 State or Federal law,”.

7 **SEC. 8. FREEZING BANK ACCOUNTS OF PERSONS AR-**
 8 **RESTED FOR OFFENSES INVOLVING THE**
 9 **MOVEMENT OF MONEY ACROSS INTER-**
 10 **NATIONAL BORDERS.**

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

13 “(5)(A) If a person is arrested or charged in connec-
 14 tion with an offense described in subparagraph (C) involv-
 15 ing the movement of funds into or out of the United
 16 States, the Attorney General may apply to any Federal
 17 judge or magistrate judge in the district in which the ar-
 18 rest is made or the charges are filed for an ex parte order
 19 restraining any account held by the person arrested or
 20 charged for not more than 30 days, except that such 30-
 21 day time period may be extended for good cause shown
 22 at a hearing conducted in the manner provided in Rule
 23 43(c) of the Federal Rules of Civil Procedure. The court
 24 may receive and consider evidence and information sub-

mitted by the Government that would be inadmissible under the Federal Rules of Evidence.

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

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

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

“(iii) state that the restraining order is needed to prevent the removal of the funds in the account by the person arrested or charged, or by other persons associated with that person, during the time needed by the Government to conduct such investigation as may be necessary to establish whether there is probable cause to believe that the funds in the accounts are subject to forfeiture in connection with the commission of any criminal offense.

“(C) A restraining order may be issued under subparagraph (A) if a person is arrested or charged with any offense for which forfeiture is authorized under—

“(i) this title;

“(ii) title 31; or

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

“(D) For purposes of this paragraph—

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

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

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

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

17 **SEC. 9. PROHIBITING MONEY LAUNDERING THROUGH**
18 **HAWALAS, OTHER INFORMAL VALUE TRANS-**
19 **FER SYSTEMS, AND CLOSELY RELATED**
20 **TRANSACTIONS.**

21 The matter following section 1956(a)(1)(B)(ii) of
22 title 18, United States Code, is amended by striking “For
23 purposes of this paragraph, a financial transaction” and
24 inserting “For purposes of this paragraph and section

1 1957, a financial transaction or a monetary transaction,
 2 as applicable.”.

3 **SEC. 10. TECHNICAL AMENDMENT TO RESTORE WIRETAP**

4 **AUTHORITY FOR CERTAIN MONEY LAUN-**
 5 **DERING AND COUNTERFEITING OFFENSES.**

6 (a) CURRENCY REPORTING OFFENSES.—Section
 7 2516(1)(g) of title 18, United States Code, is amended
 8 by striking “or section 5324 of title 31, United States
 9 Code (relating to structuring transactions to evade report-
 10 ing requirement prohibited)” and inserting “or section
 11 5324, 5331, or 5332 of that title (relating to evasion of
 12 Federal transaction reporting requirements)”.

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

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

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

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

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

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

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

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

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

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

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

21 “Whoever, with intent to defraud, has custody, con-
22 trol, or possession of any material, tool, machinery, or
23 other equipment that can be used to make, alter, forge,
24 or counterfeit any obligation or other security of any for-
25 eign government, bank, or corporation; or”.

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

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

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

9 (2) in subsection (b)—

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

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

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

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

1 **SEC. 13. PREPAID ACCESS DEVICES, DIGITAL CURRENCIES,**
2 **OR OTHER SIMILAR INSTRUMENTS.**

3 (a) IN GENERAL.—Section 5312(a) of title 31,
4 United States Code, is amended—

5 (1) in paragraph (2)(K)—

6 (A) by inserting “prepaid access devices,
7 digital currency,” after “money orders,”; and

8 (B) by inserting before the semicolon at
9 the end the following: “, or any digital ex-
10 changer or tumbler of digital currency”;

11 (2) in paragraph (3)(B), by inserting “prepaid
12 access devices,” after “delivery,”; and

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

14 “(7) ‘prepaid access device’ means an electronic
15 device or vehicle, such as a card, plate, code, num-
16 ber, electronic serial number, mobile identification
17 number, personal identification number, or other in-
18 strument, that provides a portal to funds or the
19 value of funds that have been paid in advance and
20 can be retrievable and transferable at some point in
21 the future.”.

22 (b) GAO REPORT.—Not later than 18 months after
23 the date of enactment of this Act, the Comptroller General
24 of the United States shall submit to Congress a report
25 on—

1 (1) the impact the amendments made by sub-
 2 section (a) have had on law enforcement, the prepaid
 3 access industry, and consumers; and

4 (2) the implementation and enforcement of the
 5 final rule entitled “Bank Secrecy Act Regulations—
 6 Definitions and Other Regulations Relating to Pre-
 7 paid Access” (76 Fed. Reg. 45403 (July 19, 2011))
 8 by the Department of the Treasury.

9 (c) CUSTOMS AND BORDER PROTECTION STRATEGY
 10 FOR PREPAID ACCESS DEVICES.—Not later than 18
 11 months after the date of enactment of this Act, the Sec-
 12 retary of Homeland Security, in consultation with the
 13 Commissioner of U.S. Customs and Border Protection,
 14 shall submit to Congress a report—

15 (1) detailing a strategy to interdict and detect
 16 prepaid access devices, digital currencies, or other
 17 similar instruments, at border crossings and other
 18 ports of entry for the United States; and

19 (2) that includes an assessment of infrastruc-
 20 ture needed to carry out the strategy detailed in
 21 paragraph (1).

22 **SEC. 14. ADMINISTRATIVE SUBPOENAS FOR MONEY LAUN-**
 23 **DERING CASES.**

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

1 (1) in paragraph (1)(A)—

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

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

5 (C) in clause (iii)—

6 (i) by striking “section 3056” and in-
7 serting “section 3056(a)”; and

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

10 (D) by inserting after clause (iii) the fol-
11 lowing:

12 “(iv) an offense under section 1956,
13 1957, or 1960 of this title, or section
14 5313, 5316, 5324, 5331, or 5332 of title
15 31, or an offense against a foreign nation
16 constituting specified unlawful activity
17 under section 1956 of this title, or a crimi-
18 nal or civil forfeiture based upon an of-
19 fense enumerated in this subparagraph or
20 for which enforcement could be brought
21 under section 2467 of title 28, the Attor-
22 ney General, the Secretary of Homeland
23 Security, or the Secretary of the Treas-
24 ury,”; and

25 (2) in paragraph (6)(B)—

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

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

5 (C) by adding at the end following:

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

10 **SEC. 15. OBTAINING FOREIGN BANK RECORDS FROM**
11 **BANKS WITH UNITED STATES COR-**
12 **RESPONDENT ACCOUNTS.**

13 (a) GRAND JURY AND TRIAL SUBPOENAS.—Section
14 5318(k) of title 31, United States Code, is amended—

15 (1) in paragraph (1)—

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

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

20 “(B) COVERED FINANCIAL INSTITUTION.—

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

23 and

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

1 “(3) FOREIGN BANK RECORDS.—

2 “(A) SUBPOENA OF RECORDS.—

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

13 “(I) investigation of a violation of
14 a criminal law of the United States;
15 or

16 “(II) civil forfeiture action.

17 “(ii) PRODUCTION OF RECORDS.—The
18 foreign bank on which a subpoena de-
19 scribed in clause (i) is served shall produce
20 all requested records and authenticate all
21 requested records with testimony in the
22 manner described in—

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

25 “(II) section 3505 of title 18.

1 “(iii) ISSUANCE AND SERVICE OF SUB-
2 POENA.—A subpoena described in clause
3 (i)—

4 “(I) shall designate—

5 “(aa) a return date; and

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

9 “(II) may be served—

10 “(aa) in person;

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

15 “(cc) in a foreign country
16 under any mutual legal assist-
17 ance treaty, multilateral agree-
18 ment, or other request for inter-
19 national legal or law enforcement
20 assistance.

21 “(iv) RELIEF FROM SUBPOENA.—

22 “(I) IN GENERAL.—At any time
23 before the return date of the subpoena
24 described in clause (i), the foreign
25 bank on which the subpoena is served

1 may petition the district court of the
2 United States for the judicial district
3 in which the related investigation is
4 proceeding, as designated in the sub-
5 poena, to modify or quash—

6 “(aa) the subpoena; or

7 “(bb) the prohibition against
8 disclosure described in subpara-
9 graph (C).

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

17 “(B) ACCEPTANCE OF SERVICE.—

18 “(i) MAINTAINING RECORDS IN THE
19 UNITED STATES.—Any covered financial
20 institution that maintains a correspondent
21 account in the United States for a foreign
22 bank shall maintain records in the United
23 States identifying—

24 “(I) the owners of such foreign
25 bank; and

1 “(II) the name and address of a
2 person who—

3 “(aa) resides in the United
4 States; and

5 “(bb) is authorized to accept
6 service of legal process for
7 records covered under this sub-
8 section.

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

17 “(C) NONDISCLOSURE OF SUBPOENA.—

18 “(i) IN GENERAL.—No officer, direc-
19 tor, partner, employee, or shareholder of,
20 or agent or attorney for, a foreign bank on
21 which a subpoena is served under this
22 paragraph shall, directly or indirectly, no-
23 tify any account holder involved or any
24 person named in the subpoena issued
25 under subparagraph (A)(i) and served on

1 such an institution about the existence or
2 contents of such subpoena.

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

10 “(I) double the amount of the
11 suspected criminal proceeds sent
12 through the correspondent account of
13 the foreign bank in the related inves-
14 tigation; or

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

17 “(D) ENFORCEMENT.—

18 “(i) IN GENERAL.—If a foreign bank
19 fails to obey a subpoena issued under sub-
20 paragraph (A)(i), the Attorney General
21 may invoke the aid of the district court of
22 the United States for the judicial district
23 in which the investigation or related pro-
24 ceeding is occurring to compel compliance
25 with the subpoena.

1 “(ii) COURT ORDERS AND CONTEMPT
2 OF COURT.—The court may—

3 “(I) issue an order requiring the
4 foreign bank to appear before the Sec-
5 retary of the Treasury or the Attorney
6 General to produce—

7 “(aa) certified records, in
8 accordance with—

9 “(AA) rule 902(12) of
10 the Federal Rules of Evi-
11 dence; or

12 “(BB) section 3505 of
13 title 18; or

14 “(bb) testimony regarding
15 the production of such records;
16 and

17 “(II) punish any failure to obey
18 an order issued under subclause (I) as
19 contempt of court.

20 “(iii) SERVICE OF PROCESS.—All
21 process in a case under this subparagraph
22 shall be served on the foreign bank in the
23 same manner as described in subparagraph
24 (A)(iii).

1 “(E) TERMINATION OF CORRESPONDENT
2 RELATIONSHIP.—

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

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

17 “(II) to prevail in proceedings be-
18 fore—

19 “(aa) the appropriate dis-
20 trict court of the United States
21 after challenging such a sub-
22 poena under subparagraph
23 (A)(iv)(I); or

24 “(bb) a court of appeals of
25 the United States after appealing

1 a decision of a district court of
2 the United States under item
3 (aa).

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

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

19 “(F) ENFORCEMENT OF CIVIL PEN-
20 ALTIES.—Upon application by the United
21 States, any funds held in the correspondent ac-
22 count of a foreign bank that is maintained in
23 the United States with a covered financial insti-
24 tution may be seized by the United States to
25 satisfy any civil penalties that are imposed—

1 “(i) under subparagraph (C)(ii); or

2 “(ii) by the court for contempt under
3 subparagraph (D).”.

4 (b) FAIR CREDIT REPORTING ACT AMENDMENT.—

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

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

8 (2) by inserting “, or a subpoena issued in ac-
9 cordance with section 5318 of title 31, United States
10 Code, or section 3486 of title 18, United States
11 Code” after “grand jury”.

12 (c) OBSTRUCTION OF JUSTICE.—Section
13 1510(b)(3)(B) of title 18, United States Code, is amend-
14 ed—

15 (1) in the matter preceding clause (i), by strik-
16 ing “or a Department of Justice subpoena (issued
17 under section 3486 of title 18)” and inserting “, a
18 subpoena issued under section 3486 of this title, or
19 an order or subpoena issued in accordance with sec-
20 tion 3512 of this title, section 5318 of title 31, or
21 section 1782 of title 28,”; and

22 (2) in clause (i) by inserting “, 1960, or an of-
23 fense against a foreign nation constituting specified
24 unlawful activity under section 1956, or a foreign of-
25 fense for which enforcement of a foreign forfeiture

1 judgment could be brought under section 2467 of
 2 title 28” after “1957”.

3 (d) RIGHT TO FINANCIAL PRIVACY ACT.—Section
 4 1120(b)(1)(A) of the Right to Financial Privacy Act of
 5 1978 (12 U.S.C. 3420(b)(1)(A)) is amended—

6 (1) by striking “or 1957” and inserting “,
 7 1957, or 1960”; and

8 (2) by striking “and 5324” and inserting “,
 9 5322, 5324, 5331, and 5332”.

10 **SEC. 16. DANGER PAY ALLOWANCE.**

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

19 **SEC. 17. CLARIFICATION OF SECRET SERVICE AUTHORITY**
 20 **TO INVESTIGATE MONEY LAUNDERING.**

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

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

25 (2) by striking “federally insured”.

1 **SEC. 18. PROHIBITION ON CONCEALMENT OF OWNERSHIP**
 2 **OF ACCOUNT.**

3 (a) IN GENERAL.—Subchapter II of chapter 53 of
 4 title 31, United States Code, is amended by adding at the
 5 end the following:

6 **“§ 5333. Prohibition on concealment of ownership of**
 7 **account**

8 “(a) IN GENERAL.—No person shall knowingly con-
 9 ceal, falsify, or misrepresent, or attempt to conceal, falsify,
 10 or misrepresent, from or to a financial institution, a mate-
 11 rial fact concerning the ownership or control of an account
 12 or assets held in an account with a financial institution.

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

17 “(c) FORFEITURE.—

18 “(1) CRIMINAL FORFEITURE.—

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

25 “(B) PROCEDURE.—Section 413 of the
 26 Controlled Substances Act (21 U.S.C. 853)

1 shall govern the seizure, restraint, and for-
2 feiture of property under this paragraph.

3 “(2) CIVIL FORFEITURE.—

4 “(A) IN GENERAL.—Any property involved
5 in a violation of subsection (a), or a conspiracy
6 to commit such violation, and any property
7 traceable thereto may be seized and forfeited to
8 the United States.

9 “(B) PROCEDURE.—Seizures and forfeit-
10 ures under this paragraph shall be governed by
11 the provisions of chapter 46 of title 18 relating
12 to civil forfeitures, except that such duties,
13 under customs laws described in section 981(d)
14 of title 18, given to the Secretary of the Treas-
15 ury shall be performed by such officers, agents,
16 and other persons as designated by the Sec-
17 retary of Homeland Security or the Attorney
18 General.

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

24 “(d) FINANCIAL INSTITUTION.—In this section, the
25 term ‘financial institution’ means any entity defined under

1 section 5312(a)(2), or the regulations promulgated under
2 this title, that is required to—

3 “(1) implement a customer identification pro-
4 gram under this title, or the regulations promul-
5 gated under this title; or

6 “(2) conduct customer due diligence under this
7 title, or the regulations promulgated under this
8 title.”.

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

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

12 **SEC. 19. PROHIBITION ON CONCEALMENT OF THE SOURCE**
13 **OF ASSETS IN MONETARY TRANSACTIONS.**

14 (a) IN GENERAL.—Subchapter II of chapter 53 of
15 title 31, United States Code, as amended by section 18
16 of this Act, is amended by adding at the end the following:

17 **“§ 5334. Prohibition on concealment of the source of**
18 **assets in monetary transactions**

19 “(a) IN GENERAL.—No person shall knowingly con-
20 ceal, falsify, or misrepresent, or attempt to conceal, falsify,
21 or misrepresent, from or to a financial institution, a mate-
22 rial fact concerning the ownership or control of assets in-
23 volved in a monetary transaction if—

24 “(1) the person or entity who owns or controls
25 such assets is a senior foreign political figure, or any

1 immediate family member or close associate of a
2 senior foreign political figure, as set forth in this
3 title or the regulations promulgated under this title;
4 and

5 “(2) the aggregate value of the assets involved
6 in one or more such transactions is not less than
7 \$1,000,000.

8 “(b) SOURCE OF FUNDS.—No person shall knowingly
9 conceal, falsify, or misrepresent, or attempt to conceal, fal-
10 sify, or misrepresent, from or to a financial institution,
11 a material fact concerning the source of funds in a mone-
12 tary transaction that—

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

16 “(2) violates the prohibitions or conditions pre-
17 scribed under section 5318A(b)(5) of this title or the
18 regulations promulgated under this title.

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

23 “(d) FORFEITURE.—

24 “(1) CRIMINAL FORFEITURE.—

1 “(A) IN GENERAL.—The court, in impos-
2 ing sentence under subsection (c), shall order
3 that the defendant forfeit to the United States
4 any property involved in the offense and any
5 property traceable thereto.

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

10 “(2) CIVIL FORFEITURE.—

11 “(A) IN GENERAL.—Any property involved
12 in a violation of subsection (a) or (b), or a con-
13 spiracy to commit such violation, and any prop-
14 erty traceable thereto may be seized and for-
15 feited to the United States.

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

1 “(e) DEFINITIONS.—In this section—

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

5 “(2) the term ‘monetary transaction’ means the
6 deposit, withdrawal, transfer, or exchange, in or af-
7 fecting interstate or foreign commerce, of funds or
8 a monetary instrument (as defined in section
9 1956(c)(5) of title 18) by, through, or to a financial
10 institution (as defined in section 1956 of title 18)—

11 “(A) including any transaction that would
12 be a financial transaction under section
13 1956(c)(4)(B) of title 18; and

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

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

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

22 **SEC. 20. RULE OF CONSTRUCTION.**

23 Nothing in this Act, or any amendment made by this
24 Act, shall be construed to apply to the authorized law en-

1 forcement, protective, or intelligence activities of the
2 United States or of an intelligence agency of the United
3 States.

