

107TH CONGRESS
1ST SESSION

H. R. 3162

To deter and punish terrorist acts in the United States and around the world, to enhance law enforcement investigatory tools, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2001

Mr. SENSENBRENNER (for himself and Mr. OXLEY) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Intelligence (Permanent Select), Financial Services, International Relations, Energy and Commerce, Education and the Workforce, Transportation and Infrastructure, and Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To deter and punish terrorist acts in the United States and around the world, to enhance law enforcement investigatory tools, 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Uniting and Strengthening America by Providing Appro-
6 priate Tools Required to Intercept and Obstruct Ter-
7 rorism (USA PATRIOT ACT) Act of 2001”.

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

- Sec. 1. Short title and table of contents.
 Sec. 2. Construction; severability.

TITLE I—ENHANCING DOMESTIC SECURITY AGAINST TERRORISM

- Sec. 101. Counterterrorism fund.
 Sec. 102. Sense of Congress condemning discrimination against Arab and Muslim Americans.
 Sec. 103. Increased funding for the technical support center at the Federal Bureau of Investigation.
 Sec. 104. Requests for military assistance to enforce prohibition in certain emergencies.
 Sec. 105. Expansion of National Electronic Crime Task Force Initiative.
 Sec. 106. Presidential authority.

TITLE II—ENHANCED SURVEILLANCE PROCEDURES

- Sec. 201. Authority to intercept wire, oral, and electronic communications relating to terrorism.
 Sec. 202. Authority to intercept wire, oral, and electronic communications relating to computer fraud and abuse offenses.
 Sec. 203. Authority to share criminal investigative information.
 Sec. 204. Clarification of intelligence exceptions from limitations on interception and disclosure of wire, oral, and electronic communications.
 Sec. 205. Employment of translators by the Federal Bureau of Investigation.
 Sec. 206. Roving surveillance authority under the Foreign Intelligence Surveillance Act of 1978.
 Sec. 207. Duration of FISA surveillance of non-United States persons who are agents of a foreign power.
 Sec. 208. Designation of judges.
 Sec. 209. Seizure of voice-mail messages pursuant to warrants.
 Sec. 210. Scope of subpoenas for records of electronic communications.
 Sec. 211. Clarification of scope.
 Sec. 212. Emergency disclosure of electronic communications to protect life and limb.
 Sec. 213. Authority for delaying notice of the execution of a warrant.
 Sec. 214. Pen register and trap and trace authority under FISA.
 Sec. 215. Access to records and other items under the Foreign Intelligence Surveillance Act.
 Sec. 216. Modification of authorities relating to use of pen registers and trap and trace devices.
 Sec. 217. Interception of computer trespasser communications.
 Sec. 218. Foreign intelligence information.
 Sec. 219. Single-jurisdiction search warrants for terrorism.
 Sec. 220. Nationwide service of search warrants for electronic evidence.
 Sec. 221. Trade sanctions.
 Sec. 222. Assistance to law enforcement agencies.
 Sec. 223. Civil liability for certain unauthorized disclosures.
 Sec. 224. Sunset.
 Sec. 225. Immunity for compliance with FISA wiretap.

TITLE III—INTERNATIONAL MONEY LAUNDERING ABATEMENT
AND ANTI-TERRORIST FINANCING ACT OF 2001

- Sec. 301. Short title.
- Sec. 302. Findings and purposes.
- Sec. 303. 4-year congressional review; expedited consideration.

Subtitle A—International Counter Money Laundering and Related Measures

- Sec. 311. Special measures for jurisdictions, financial institutions, or international transactions of primary money laundering concern.
- Sec. 312. Special due diligence for correspondent accounts and private banking accounts.
- Sec. 313. Prohibition on United States correspondent accounts with foreign shell banks.
- Sec. 314. Cooperative efforts to deter money laundering.
- Sec. 315. Inclusion of foreign corruption offenses as money laundering crimes.
- Sec. 316. Anti-terrorist forfeiture protection.
- Sec. 317. Long-arm jurisdiction over foreign money launderers.
- Sec. 318. Laundering money through a foreign bank.
- Sec. 319. Forfeiture of funds in United States interbank accounts.
- Sec. 320. Proceeds of foreign crimes.
- Sec. 321. Financial institutions specified in subchapter II of chapter 53 of title 31, United States code.
- Sec. 322. Corporation represented by a fugitive.
- Sec. 323. Enforcement of foreign judgments.
- Sec. 324. Report and recommendation.
- Sec. 325. Concentration accounts at financial institutions.
- Sec. 326. Verification of identification.
- Sec. 327. Consideration of anti-money laundering record.
- Sec. 328. International cooperation on identification of originators of wire transfers.
- Sec. 329. Criminal penalties.
- Sec. 330. International cooperation in investigations of money laundering, financial crimes, and the finances of terrorist groups.

Subtitle B—Bank Secrecy Act Amendments and Related Improvements

- Sec. 351. Amendments relating to reporting of suspicious activities.
- Sec. 352. Anti-money laundering programs.
- Sec. 353. Penalties for violations of geographic targeting orders and certain recordkeeping requirements, and lengthening effective period of geographic targeting orders.
- Sec. 354. Anti-money laundering strategy.
- Sec. 355. Authorization to include suspicions of illegal activity in written employment references.
- Sec. 356. Reporting of suspicious activities by securities brokers and dealers; investment company study.
- Sec. 357. Special report on administration of bank secrecy provisions.
- Sec. 358. Bank secrecy provisions and activities of United States intelligence agencies to fight international terrorism.
- Sec. 359. Reporting of suspicious activities by underground banking systems.
- Sec. 360. Use of authority of United States Executive Directors.
- Sec. 361. Financial crimes enforcement network.
- Sec. 362. Establishment of highly secure network.
- Sec. 363. Increase in civil and criminal penalties for money laundering.

- Sec. 364. Uniform protection authority for Federal Reserve facilities.
- Sec. 365. Reports relating to coins and currency received in nonfinancial trade or business.
- Sec. 366. Efficient use of currency transaction report system.

Subtitle C—Currency Crimes and Protection

- Sec. 371. Bulk cash smuggling into or out of the United States.
- Sec. 372. Forfeiture in currency reporting cases.
- Sec. 373. Illegal money transmitting businesses.
- Sec. 374. Counterfeiting domestic currency and obligations.
- Sec. 375. Counterfeiting foreign currency and obligations.
- Sec. 376. Laundering the proceeds of terrorism.
- Sec. 377. Extraterritorial jurisdiction.

TITLE IV—PROTECTING THE BORDER

Subtitle A—Protecting the Northern Border

- Sec. 401. Ensuring adequate personnel on the northern border.
- Sec. 402. Northern border personnel.
- Sec. 403. Access by the Department of State and the INS to certain identifying information in the criminal history records of visa applicants and applicants for admission to the United States.
- Sec. 404. Limited authority to pay overtime.
- Sec. 405. Report on the integrated automated fingerprint identification system for ports of entry and overseas consular posts.

Subtitle B—Enhanced Immigration Provisions

- Sec. 411. Definitions relating to terrorism.
- Sec. 412. Mandatory detention of suspected terrorists; habeas corpus; judicial review.
- Sec. 413. Multilateral cooperation against terrorists.
- Sec. 414. Visa integrity and security.
- Sec. 415. Participation of Office of Homeland Security on Entry-Exit Task Force.
- Sec. 416. Foreign student monitoring program.
- Sec. 417. Machine readable passports.
- Sec. 418. Prevention of consulate shopping.

Subtitle C—Preservation of Immigration Benefits for Victims of Terrorism

- Sec. 421. Special immigrant status.
- Sec. 422. Extension of filing or reentry deadlines.
- Sec. 423. Humanitarian relief for certain surviving spouses and children.
- Sec. 424. “Age-out” protection for children.
- Sec. 425. Temporary administrative relief.
- Sec. 426. Evidence of death, disability, or loss of employment.
- Sec. 427. No benefits to terrorists or family members of terrorists.
- Sec. 428. Definitions.

TITLE V—REMOVING OBSTACLES TO INVESTIGATING TERRORISM

- Sec. 501. Attorney General’s authority to pay rewards to combat terrorism.
- Sec. 502. Secretary of State’s authority to pay rewards.
- Sec. 503. DNA identification of terrorists and other violent offenders.
- Sec. 504. Coordination with law enforcement.

- Sec. 505. Miscellaneous national security authorities.
- Sec. 506. Extension of Secret Service jurisdiction.
- Sec. 507. Disclosure of educational records.
- Sec. 508. Disclosure of information from NCES surveys.

TITLE VI—PROVIDING FOR VICTIMS OF TERRORISM, PUBLIC SAFETY OFFICERS, AND THEIR FAMILIES

Subtitle A—Aid to Families of Public Safety Officers

- Sec. 611. Expedited payment for public safety officers involved in the prevention, investigation, rescue, or recovery efforts related to a terrorist attack.
- Sec. 612. Technical correction with respect to expedited payments for heroic public safety officers.
- Sec. 613. Public safety officers benefit program payment increase.
- Sec. 614. Office of Justice programs.

Subtitle B—Amendments to the Victims of Crime Act of 1984

- Sec. 621. Crime victims fund.
- Sec. 622. Crime victim compensation.
- Sec. 623. Crime victim assistance.
- Sec. 624. Victims of terrorism.

TITLE VII—INCREASED INFORMATION SHARING FOR CRITICAL INFRASTRUCTURE PROTECTION

- Sec. 711. Expansion of regional information sharing system to facilitate Federal-State-local law enforcement response related to terrorist attacks.

TITLE VIII—STRENGTHENING THE CRIMINAL LAWS AGAINST TERRORISM

- Sec. 801. Terrorist attacks and other acts of violence against mass transportation systems.
- Sec. 802. Definition of domestic terrorism.
- Sec. 803. Prohibition against harboring terrorists.
- Sec. 804. Jurisdiction over crimes committed at U.S. facilities abroad.
- Sec. 805. Material support for terrorism.
- Sec. 806. Assets of terrorist organizations.
- Sec. 807. Technical clarification relating to provision of material support to terrorism.
- Sec. 808. Definition of Federal crime of terrorism.
- Sec. 809. No statute of limitation for certain terrorism offenses.
- Sec. 810. Alternate maximum penalties for terrorism offenses.
- Sec. 811. Penalties for terrorist conspiracies.
- Sec. 812. Post-release supervision of terrorists.
- Sec. 813. Inclusion of acts of terrorism as racketeering activity.
- Sec. 814. Deterrence and prevention of cyberterrorism.
- Sec. 815. Additional defense to civil actions relating to preserving records in response to Government requests.
- Sec. 816. Development and support of cybersecurity forensic capabilities.
- Sec. 817. Expansion of the biological weapons statute.

TITLE IX—IMPROVED INTELLIGENCE

- Sec. 901. Responsibilities of Director of Central Intelligence regarding foreign intelligence collected under Foreign Intelligence Surveillance Act of 1978.
- Sec. 902. Inclusion of international terrorist activities within scope of foreign intelligence under National Security Act of 1947.
- Sec. 903. Sense of Congress on the establishment and maintenance of intelligence relationships to acquire information on terrorists and terrorist organizations.
- Sec. 904. Temporary authority to defer submittal to Congress of reports on intelligence and intelligence-related matters.
- Sec. 905. Disclosure to Director of Central Intelligence of foreign intelligence-related information with respect to criminal investigations.
- Sec. 906. Foreign terrorist asset tracking center.
- Sec. 907. National Virtual Translation Center.
- Sec. 908. Training of government officials regarding identification and use of foreign intelligence.

TITLE X—MISCELLANEOUS

- Sec. 1001. Review of the department of justice.
- Sec. 1002. Sense of congress.
- Sec. 1003. Definition of “electronic surveillance”.
- Sec. 1004. Venue in money laundering cases.
- Sec. 1005. First responders assistance act.
- Sec. 1006. Inadmissibility of aliens engaged in money laundering.
- Sec. 1007. Authorization of funds for dea police training in south and central asia.
- Sec. 1008. Feasibility study on use of biometric identifier scanning system with access to the fbi integrated automated fingerprint identification system at overseas consular posts and points of entry to the United States.
- Sec. 1009. Study of access.
- Sec. 1010. Temporary authority to contract with local and State governments for performance of security functions at United States military installations.
- Sec. 1011. Crimes against charitable americans.
- Sec. 1012. Limitation on issuance of hazmat licenses.
- Sec. 1013. Expressing the sense of the senate concerning the provision of funding for bioterrorism preparedness and response.
- Sec. 1014. Grant program for State and local domestic preparedness support.
- Sec. 1015. Expansion and reauthorization of the crime identification technology act for antiterrorism grants to States and localities.
- Sec. 1016. Critical infrastructures protection.

1 **SEC. 2. CONSTRUCTION; SEVERABILITY.**

2 Any provision of this Act held to be invalid or unen-
 3 forceable by its terms, or as applied to any person or cir-
 4 cumstance, shall be construed so as to give it the max-
 5 imum effect permitted by law, unless such holding shall

1 be one of utter invalidity or unenforceability, in which
2 event such provision shall be deemed severable from this
3 Act and shall not affect the remainder thereof or the appli-
4 cation of such provision to other persons not similarly situ-
5 ated or to other, dissimilar circumstances.

6 **TITLE I—ENHANCING DOMESTIC**
7 **SECURITY AGAINST TERRORISM**

8 **SEC. 101. COUNTERTERRORISM FUND.**

9 (a) ESTABLISHMENT; AVAILABILITY.—There is here-
10 by established in the Treasury of the United States a sepa-
11 rate fund to be known as the “Counterterrorism Fund”,
12 amounts in which shall remain available without fiscal
13 year limitation—

14 (1) to reimburse any Department of Justice
15 component for any costs incurred in connection
16 with—

17 (A) reestablishing the operational capa-
18 bility of an office or facility that has been dam-
19 aged or destroyed as the result of any domestic
20 or international terrorism incident;

21 (B) providing support to counter, inves-
22 tigate, or prosecute domestic or international
23 terrorism, including, without limitation, paying
24 rewards in connection with these activities; and

1 (C) conducting terrorism threat assess-
2 ments of Federal agencies and their facilities;
3 and

4 (2) to reimburse any department or agency of
5 the Federal Government for any costs incurred in
6 connection with detaining in foreign countries indi-
7 viduals accused of acts of terrorism that violate the
8 laws of the United States.

9 (b) NO EFFECT ON PRIOR APPROPRIATIONS.—Sub-
10 section (a) shall not be construed to affect the amount
11 or availability of any appropriation to the
12 Counterterrorism Fund made before the date of the enact-
13 ment of this Act.

14 **SEC. 102. SENSE OF CONGRESS CONDEMNING DISCRIMINA-**
15 **TION AGAINST ARAB AND MUSLIM AMERI-**
16 **CANS.**

17 (a) FINDINGS.—Congress makes the following find-
18 ings:

19 (1) Arab Americans, Muslim Americans, and
20 Americans from South Asia play a vital role in our
21 Nation and are entitled to nothing less than the full
22 rights of every American.

23 (2) The acts of violence that have been taken
24 against Arab and Muslim Americans since the Sep-
25 tember 11, 2001, attacks against the United States

1 should be and are condemned by all Americans who
2 value freedom.

3 (3) The concept of individual responsibility for
4 wrongdoing is sacrosanct in American society, and
5 applies equally to all religious, racial, and ethnic
6 groups.

7 (4) When American citizens commit acts of vio-
8 lence against those who are, or are perceived to be,
9 of Arab or Muslim descent, they should be punished
10 to the full extent of the law.

11 (5) Muslim Americans have become so fearful
12 of harassment that many Muslim women are chang-
13 ing the way they dress to avoid becoming targets.

14 (6) Many Arab Americans and Muslim Ameri-
15 cans have acted heroically during the attacks on the
16 United States, including Mohammed Salman
17 Hamdani, a 23-year-old New Yorker of Pakistani
18 descent, who is believed to have gone to the World
19 Trade Center to offer rescue assistance and is now
20 missing.

21 (b) SENSE OF CONGRESS.—It is the sense of Con-
22 gress that—

23 (1) the civil rights and civil liberties of all
24 Americans, including Arab Americans, Muslim
25 Americans, and Americans from South Asia, must

1 be protected, and that every effort must be taken to
2 preserve their safety;

3 (2) any acts of violence or discrimination
4 against any Americans be condemned; and

5 (3) the Nation is called upon to recognize the
6 patriotism of fellow citizens from all ethnic, racial,
7 and religious backgrounds.

8 **SEC. 103. INCREASED FUNDING FOR THE TECHNICAL SUP-**
9 **PORT CENTER AT THE FEDERAL BUREAU OF**
10 **INVESTIGATION.**

11 There are authorized to be appropriated for the Tech-
12 nical Support Center established in section 811 of the
13 Antiterrorism and Effective Death Penalty Act of 1996
14 (Public Law 104–132) to help meet the demands for ac-
15 tivities to combat terrorism and support and enhance the
16 technical support and tactical operations of the FBI,
17 \$200,000,000 for each of the fiscal years 2002, 2003, and
18 2004.

19 **SEC. 104. REQUESTS FOR MILITARY ASSISTANCE TO EN-**
20 **FORCE PROHIBITION IN CERTAIN EMER-**
21 **GENCIES.**

22 Section 2332e of title 18, United States Code, is
23 amended—

24 (1) by striking “2332c” and inserting “2332a”;

25 and

1 (2) by striking “chemical”.

2 **SEC. 105. EXPANSION OF NATIONAL ELECTRONIC CRIME**
3 **TASK FORCE INITIATIVE.**

4 The Director of the United States Secret Service
5 shall take appropriate actions to develop a national net-
6 work of electronic crime task forces, based on the New
7 York Electronic Crimes Task Force model, throughout the
8 United States, for the purpose of preventing, detecting,
9 and investigating various forms of electronic crimes, in-
10 cluding potential terrorist attacks against critical infra-
11 structure and financial payment systems.

12 **SEC. 106. PRESIDENTIAL AUTHORITY.**

13 Section 203 of the International Emergency Powers
14 Act (50 U.S.C. 1702) is amended—

15 (1) in subsection (a)(1)—

16 (A) at the end of subparagraph (A) (flush
17 to that subparagraph), by striking “; and” and
18 inserting a comma and the following:

19 “by any person, or with respect to any property,
20 subject to the jurisdiction of the United States;”;

21 (B) in subparagraph (B)—

22 (i) by inserting “, block during the
23 pendency of an investigation” after “inves-
24 tigate”; and

1 (ii) by striking “interest;” and insert-
2 ing “interest by any person, or with re-
3 spect to any property, subject to the juris-
4 diction of the United States; and”;

5 (C) by striking “by any person, or with re-
6 spect to any property, subject to the jurisdiction
7 of the United States;” and

8 (D) by inserting at the end the following:

9 “(C) when the United States is engaged in
10 armed hostilities or has been attacked by a for-
11 eign country or foreign nationals, confiscate any
12 property, subject to the jurisdiction of the
13 United States, of any foreign person, foreign
14 organization, or foreign country that he deter-
15 mines has planned, authorized, aided, or en-
16 gaged in such hostilities or attacks against the
17 United States; and all right, title, and interest
18 in any property so confiscated shall vest, when,
19 as, and upon the terms directed by the Presi-
20 dent, in such agency or person as the President
21 may designate from time to time, and upon
22 such terms and conditions as the President may
23 prescribe, such interest or property shall be
24 held, used, administered, liquidated, sold, or
25 otherwise dealt with in the interest of and for

1 the benefit of the United States, and such des-
2 igned agency or person may perform any and
3 all acts incident to the accomplishment or fur-
4 therance of these purposes.”; and

5 (2) by inserting at the end the following:

6 “(c) CLASSIFIED INFORMATION.—In any judicial re-
7 view of a determination made under this section, if the
8 determination was based on classified information (as de-
9 fined in section 1(a) of the Classified Information Proce-
10 dures Act) such information may be submitted to the re-
11 viewing court ex parte and in camera. This subsection does
12 not confer or imply any right to judicial review.”.

13 **TITLE II—ENHANCED**
14 **SURVEILLANCE PROCEDURES**

15 **SEC. 201. AUTHORITY TO INTERCEPT WIRE, ORAL, AND**
16 **ELECTRONIC COMMUNICATIONS RELATING**
17 **TO TERRORISM.**

18 Section 2516(1) of title 18, United States Code, is
19 amended—

20 (1) by redesignating paragraph (p), as so redesi-
21 gnated by section 434(2) of the Antiterrorism and
22 Effective Death Penalty Act of 1996 (Public Law
23 104–132; 110 Stat. 1274), as paragraph (r); and

24 (2) by inserting after paragraph (p), as so re-
25 designated by section 201(3) of the Illegal Immigra-

1 tion Reform and Immigrant Responsibility Act of
2 1996 (division C of Public Law 104–208; 110 Stat.
3 3009–565), the following new paragraph:

4 “(q) any criminal violation of section 229 (relating
5 to chemical weapons); or sections 2332, 2332a, 2332b,
6 2332d, 2339A, or 2339B of this title (relating to ter-
7 rorism); or”.

8 **SEC. 202. AUTHORITY TO INTERCEPT WIRE, ORAL, AND**
9 **ELECTRONIC COMMUNICATIONS RELATING**
10 **TO COMPUTER FRAUD AND ABUSE OF-**
11 **FENSES.**

12 Section 2516(1)(c) of title 18, United States Code,
13 is amended by striking “and section 1341 (relating to mail
14 fraud),” and inserting “section 1341 (relating to mail
15 fraud), a felony violation of section 1030 (relating to com-
16 puter fraud and abuse),”.

17 **SEC. 203. AUTHORITY TO SHARE CRIMINAL INVESTIGATIVE**
18 **INFORMATION.**

19 (a) **AUTHORITY TO SHARE GRAND JURY INFORMA-**
20 **TION.—**

21 (1) **IN GENERAL.—**Rule 6(e)(3)(C) of the Fed-
22 eral Rules of Criminal Procedure is amended to read
23 as follows:

1 “(C)(i) Disclosure otherwise prohibited by
2 this rule of matters occurring before the grand
3 jury may also be made—

4 “(I) when so directed by a court pre-
5 liminarily to or in connection with a judi-
6 cial proceeding;

7 “(II) when permitted by a court at
8 the request of the defendant, upon a show-
9 ing that grounds may exist for a motion to
10 dismiss the indictment because of matters
11 occurring before the grand jury;

12 “(III) when the disclosure is made by
13 an attorney for the government to another
14 Federal grand jury;

15 “(IV) when permitted by a court at
16 the request of an attorney for the govern-
17 ment, upon a showing that such matters
18 may disclose a violation of state criminal
19 law, to an appropriate official of a state or
20 subdivision of a state for the purpose of
21 enforcing such law; or

22 “(V) when the matters involve foreign
23 intelligence or counterintelligence (as de-
24 fined in section 3 of the National Security
25 Act of 1947 (50 U.S.C. 401a)), or foreign

1 intelligence information (as defined in
2 clause (iv) of this subparagraph), to any
3 Federal law enforcement, intelligence, pro-
4 tective, immigration, national defense, or
5 national security official in order to assist
6 the official receiving that information in
7 the performance of his official duties.

8 “(ii) If the court orders disclosure of mat-
9 ters occurring before the grand jury, the dislo-
10 sure shall be made in such manner, at such
11 time, and under such conditions as the court
12 may direct.

13 “(iii) Any Federal official to whom infor-
14 mation is disclosed pursuant to clause (i)(V) of
15 this subparagraph may use that information
16 only as necessary in the conduct of that per-
17 son’s official duties subject to any limitations
18 on the unauthorized disclosure of such informa-
19 tion. Within a reasonable time after such dislo-
20 sure, an attorney for the government shall file
21 under seal a notice with the court stating the
22 fact that such information was disclosed and
23 the departments, agencies, or entities to which
24 the disclosure was made.

1 “(iv) In clause (i)(V) of this subparagraph,
2 the term ‘foreign intelligence information’
3 means—

4 “(I) information, whether or not con-
5 cerning a United States person, that re-
6 lates to the ability of the United States to
7 protect against—

8 “(aa) actual or potential attack
9 or other grave hostile acts of a foreign
10 power or an agent of a foreign power;

11 “(bb) sabotage or international
12 terrorism by a foreign power or an
13 agent of a foreign power; or

14 “(cc) clandestine intelligence ac-
15 tivities by an intelligence service or
16 network of a foreign power or by an
17 agent of foreign power; or

18 “(II) information, whether or not con-
19 cerning a United States person, with re-
20 spect to a foreign power or foreign terri-
21 tory that relates to—

22 “(aa) the national defense or the
23 security of the United States; or

24 “(bb) the conduct of the foreign
25 affairs of the United States.”.

1 (2) CONFORMING AMENDMENT.—Rule
2 6(e)(3)(D) of the Federal Rules of Criminal Proce-
3 dure is amended by striking “(e)(3)(C)(i)” and in-
4 serting “(e)(3)(C)(i)(I)”.

5 (b) AUTHORITY TO SHARE ELECTRONIC, WIRE, AND
6 ORAL INTERCEPTION INFORMATION.—

7 (1) LAW ENFORCEMENT.—Section 2517 of title
8 18, United States Code, is amended by inserting at
9 the end the following:

10 “(6) Any investigative or law enforcement officer, or
11 attorney for the Government, who by any means author-
12 ized by this chapter, has obtained knowledge of the con-
13 tents of any wire, oral, or electronic communication, or
14 evidence derived therefrom, may disclose such contents to
15 any other Federal law enforcement, intelligence, protec-
16 tive, immigration, national defense, or national security of-
17 ficial to the extent that such contents include foreign intel-
18 ligence or counterintelligence (as defined in section 3 of
19 the National Security Act of 1947 (50 U.S.C. 401a)), or
20 foreign intelligence information (as defined in subsection
21 (19) of section 2510 of this title), to assist the official
22 who is to receive that information in the performance of
23 his official duties. Any Federal official who receives infor-
24 mation pursuant to this provision may use that informa-
25 tion only as necessary in the conduct of that person’s offi-

1 cial duties subject to any limitations on the unauthorized
2 disclosure of such information.”.

3 (2) DEFINITION.—Section 2510 of title 18,
4 United States Code, is amended by—

5 (A) in paragraph (17), by striking “and”
6 after the semicolon;

7 (B) in paragraph (18), by striking the pe-
8 riod and inserting “; and”; and

9 (C) by inserting at the end the following:
10 “(19) ‘foreign intelligence information’ means—

11 “(A) information, whether or not con-
12 cerning a United States person, that relates to
13 the ability of the United States to protect
14 against—

15 “(i) actual or potential attack or other
16 grave hostile acts of a foreign power or an
17 agent of a foreign power;

18 “(ii) sabotage or international ter-
19 rorism by a foreign power or an agent of
20 a foreign power; or

21 “(iii) clandestine intelligence activities
22 by an intelligence service or network of a
23 foreign power or by an agent of a foreign
24 power; or

1 “(B) information, whether or not con-
2 cerning a United States person, with respect to
3 a foreign power or foreign territory that relates
4 to—

5 “(i) the national defense or the secu-
6 rity of the United States; or

7 “(ii) the conduct of the foreign affairs
8 of the United States.”.

9 (c) PROCEDURES.—The Attorney General shall es-
10 tablish procedures for the disclosure of information pursu-
11 ant to section 2517(6) and Rule 6(e)(3)(C)(i)(V) of the
12 Federal Rules of Criminal Procedure that identifies a
13 United States person, as defined in section 101 of the For-
14 eign Intelligence Surveillance Act of 1978 (50 U.S.C.
15 1801)).

16 (d) FOREIGN INTELLIGENCE INFORMATION.—

17 (1) IN GENERAL.—Notwithstanding any other
18 provision of law, it shall be lawful for foreign intel-
19 ligence or counterintelligence (as defined in section
20 3 of the National Security Act of 1947 (50 U.S.C.
21 401a)) or foreign intelligence information obtained
22 as part of a criminal investigation to be disclosed to
23 any Federal law enforcement, intelligence, protective,
24 immigration, national defense, or national security
25 official in order to assist the official receiving that

1 information in the performance of his official duties.
2 Any Federal official who receives information pursu-
3 ant to this provision may use that information only
4 as necessary in the conduct of that person’s official
5 duties subject to any limitations on the unauthorized
6 disclosure of such information.

7 (2) DEFINITION.—In this subsection, the term
8 “foreign intelligence information” means—

9 (A) information, whether or not concerning
10 a United States person, that relates to the abil-
11 ity of the United States to protect against—

12 (i) actual or potential attack or other
13 grave hostile acts of a foreign power or an
14 agent of a foreign power;

15 (ii) sabotage or international ter-
16 rorism by a foreign power or an agent of
17 a foreign power; or

18 (iii) clandestine intelligence activities
19 by an intelligence service or network of a
20 foreign power or by an agent of a foreign
21 power; or

22 (B) information, whether or not concerning
23 a United States person, with respect to a for-
24 eign power or foreign territory that relates to—

- 1 (i) the national defense or the security
2 of the United States; or
3 (ii) the conduct of the foreign affairs
4 of the United States.

5 **SEC. 204. CLARIFICATION OF INTELLIGENCE EXCEPTIONS**
6 **FROM LIMITATIONS ON INTERCEPTION AND**
7 **DISCLOSURE OF WIRE, ORAL, AND ELEC-**
8 **TRONIC COMMUNICATIONS.**

9 Section 2511(2)(f) of title 18, United States Code,
10 is amended—

11 (1) by striking “this chapter or chapter 121”
12 and inserting “this chapter or chapter 121 or 206
13 of this title”; and

14 (2) by striking “wire and oral” and inserting
15 “wire, oral, and electronic”.

16 **SEC. 205. EMPLOYMENT OF TRANSLATORS BY THE FED-**
17 **ERAL BUREAU OF INVESTIGATION.**

18 (a) **AUTHORITY.**—The Director of the Federal Bu-
19 reau of Investigation is authorized to expedite the employ-
20 ment of personnel as translators to support
21 counterterrorism investigations and operations without re-
22 gard to applicable Federal personnel requirements and
23 limitations.

24 (b) **SECURITY REQUIREMENTS.**—The Director of the
25 Federal Bureau of Investigation shall establish such secu-

1 rity requirements as are necessary for the personnel em-
2 ployed as translators under subsection (a).

3 (c) REPORT.—The Attorney General shall report to
4 the Committees on the Judiciary of the House of Rep-
5 resentatives and the Senate on—

6 (1) the number of translators employed by the
7 FBI and other components of the Department of
8 Justice;

9 (2) any legal or practical impediments to using
10 translators employed by other Federal, State, or
11 local agencies, on a full, part-time, or shared basis;
12 and

13 (3) the needs of the FBI for specific translation
14 services in certain languages, and recommendations
15 for meeting those needs.

16 **SEC. 206. ROVING SURVEILLANCE AUTHORITY UNDER THE**
17 **FOREIGN INTELLIGENCE SURVEILLANCE ACT**
18 **OF 1978.**

19 Section 105(c)(2)(B) of the Foreign Intelligence Sur-
20 veillance Act of 1978 (50 U.S.C. 1805(c)(2)(B)) is amend-
21 ed by inserting “, or in circumstances where the Court
22 finds that the actions of the target of the application may
23 have the effect of thwarting the identification of a speci-
24 fied person, such other persons,” after “specified person”.

1 **SEC. 207. DURATION OF FISA SURVEILLANCE OF NON-**
2 **UNITED STATES PERSONS WHO ARE AGENTS**
3 **OF A FOREIGN POWER.**

4 (a) DURATION .—

5 (1) SURVEILLANCE.—Section 105(e)(1) of the
6 Foreign Intelligence Surveillance Act of 1978 (50
7 U.S.C. 1805(e)(1)) is amended by—

8 (A) inserting “(A)” after “except that”;
9 and

10 (B) inserting before the period the fol-
11 lowing: “, and (B) an order under this Act for
12 a surveillance targeted against an agent of a
13 foreign power, as defined in section
14 101(b)(1)(A) may be for the period specified in
15 the application or for 120 days, whichever is
16 less”.

17 (2) PHYSICAL SEARCH.—Section 304(d)(1) of the
18 Foreign Intelligence Surveillance Act of 1978 (50 U.S.C.
19 1824(d)(1)) is amended by—

20 (A) striking “forty-five” and inserting “90”;

21 (B) inserting “(A)” after “except that”; and

22 (C) inserting before the period the following: “,
23 and (B) an order under this section for a physical
24 search targeted against an agent of a foreign power
25 as defined in section 101(b)(1)(A) may be for the

1 period specified in the application or for 120 days,
2 whichever is less”.

3 (b) EXTENSION.—

4 (1) IN GENERAL.—Section 105(d)(2) of the
5 Foreign Intelligence Surveillance Act of 1978 (50
6 U.S.C. 1805(d)(2)) is amended by—

7 (A) inserting “(A)” after “except that”;
8 and

9 (B) inserting before the period the fol-
10 lowing: “, and (B) an extension of an order
11 under this Act for a surveillance targeted
12 against an agent of a foreign power as defined
13 in section 101(b)(1)(A) may be for a period not
14 to exceed 1 year”.

15 (2) DEFINED TERM.—Section 304(d)(2) of the
16 Foreign Intelligence Surveillance Act of 1978 (50
17 U.S.C. 1824(d)(2)) is amended by inserting after
18 “not a United States person,” the following: “or
19 against an agent of a foreign power as defined in
20 section 101(b)(1)(A),”.

21 **SEC. 208. DESIGNATION OF JUDGES.**

22 Section 103(a) of the Foreign Intelligence Surveil-
23 lance Act of 1978 (50 U.S.C. 1803(a)) is amended by—

24 (1) striking “seven district court judges” and
25 inserting “11 district court judges”; and

1 (2) inserting “of whom no fewer than 3 shall
2 reside within 20 miles of the District of Columbia”
3 after “circuits”.

4 **SEC. 209. SEIZURE OF VOICE-MAIL MESSAGES PURSUANT**
5 **TO WARRANTS.**

6 Title 18, United States Code, is amended—

7 (1) in section 2510—

8 (A) in paragraph (1), by striking beginning
9 with “and such” and all that follows through
10 “communication”; and

11 (B) in paragraph (14), by inserting “wire
12 or” after “transmission of”; and

13 (2) in subsections (a) and (b) of section 2703—

14 (A) by striking “CONTENTS OF ELEC-
15 TRONIC” and inserting “CONTENTS OF WIRE OR
16 ELECTRONIC” each place it appears;

17 (B) by striking “contents of an electronic”
18 and inserting “contents of a wire or electronic”
19 each place it appears; and

20 (C) by striking “any electronic” and in-
21 serting “any wire or electronic” each place it
22 appears.

1 **SEC. 210. SCOPE OF SUBPOENAS FOR RECORDS OF ELEC-**
2 **TRONIC COMMUNICATIONS.**

3 Section 2703(c)(2) of title 18, United States Code,
4 as redesignated by section 212, is amended—

5 (1) by striking “entity the name, address, local
6 and long distance telephone toll billing records, tele-
7 phone number or other subscriber number or iden-
8 tity, and length of service of a subscriber” and in-
9 serting the following: “entity the—

10 “(A) name;

11 “(B) address;

12 “(C) local and long distance telephone connec-
13 tion records, or records of session times and dura-
14 tions;

15 “(D) length of service (including start date)
16 and types of service utilized;

17 “(E) telephone or instrument number or other
18 subscriber number or identity, including any tempo-
19 rarily assigned network address; and

20 “(F) means and source of payment for such
21 service (including any credit card or bank account
22 number),

23 of a subscriber”; and

24 (2) by striking “and the types of services the
25 subscriber or customer utilized.”.

1 **SEC. 211. CLARIFICATION OF SCOPE.**

2 Section 631 of the Communications Act of 1934 (47
3 U.S.C. 551) is amended—

4 (1) in subsection (c)(2)—

5 (A) in subparagraph (B), by striking “or”;

6 (B) in subparagraph (C), by striking the
7 period at the end and inserting “; or”; and

8 (C) by inserting at the end the following:

9 “(D) to a government entity as authorized
10 under chapters 119, 121, or 206 of title 18, United
11 States Code, except that such disclosure shall not in-
12 clude records revealing cable subscriber selection of
13 video programming from a cable operator.”; and

14 (2) in subsection (h), by striking “A govern-
15 mental entity” and inserting “Except as provided in
16 subsection (c)(2)(D), a governmental entity”.

17 **SEC. 212. EMERGENCY DISCLOSURE OF ELECTRONIC COM-**
18 **MUNICATIONS TO PROTECT LIFE AND LIMB.**

19 (a) DISCLOSURE OF CONTENTS.—

20 (1) IN GENERAL.—Section 2702 of title 18,
21 United States Code, is amended—

22 (A) by striking the section heading and in-
23 serting the following:

24 “§ 2702. **Voluntary disclosure of customer commu-**
25 **nications or records”;**

26 (B) in subsection (a)—

1 (i) in paragraph (2)(A), by striking
2 “and” at the end;

3 (ii) in paragraph (2)(B), by striking
4 the period and inserting “; and”; and

5 (iii) by inserting after paragraph (2)
6 the following:

7 “(3) a provider of remote computing service or
8 electronic communication service to the public shall
9 not knowingly divulge a record or other information
10 pertaining to a subscriber to or customer of such
11 service (not including the contents of communica-
12 tions covered by paragraph (1) or (2)) to any gov-
13 ernmental entity.”;

14 (C) in subsection (b), by striking “EXCEP-
15 TIONS.—A person or entity” and inserting “EX-
16 CEPTIONS FOR DISCLOSURE OF COMMUNICA-
17 TIONS.— A provider described in subsection
18 (a)”;

19 (D) in subsection (b)(6)—

20 (i) in subparagraph (A)(ii), by strik-
21 ing “or”;

22 (ii) in subparagraph (B), by striking
23 the period and inserting “; or”; and

24 (iii) by adding after subparagraph (B)
25 the following:

1 “(C) if the provider reasonably believes
2 that an emergency involving immediate danger
3 of death or serious physical injury to any per-
4 son requires disclosure of the information with-
5 out delay.”; and

6 (E) by inserting after subsection (b) the
7 following:

8 “(c) EXCEPTIONS FOR DISCLOSURE OF CUSTOMER
9 RECORDS.—A provider described in subsection (a) may di-
10 vulge a record or other information pertaining to a sub-
11 scriber to or customer of such service (not including the
12 contents of communications covered by subsection (a)(1)
13 or (a)(2))—

14 “(1) as otherwise authorized in section 2703;

15 “(2) with the lawful consent of the customer or
16 subscriber;

17 “(3) as may be necessarily incident to the ren-
18 dition of the service or to the protection of the rights
19 or property of the provider of that service;

20 “(4) to a governmental entity, if the provider
21 reasonably believes that an emergency involving im-
22 mediate danger of death or serious physical injury to
23 any person justifies disclosure of the information; or

24 “(5) to any person other than a governmental
25 entity.”.

1 (2) TECHNICAL AND CONFORMING AMEND-
2 MENT.—The table of sections for chapter 121 of
3 title 18, United States Code, is amended by striking
4 the item relating to section 2702 and inserting the
5 following:

“2702. Voluntary disclosure of customer communications or records.”.

6 (b) REQUIREMENTS FOR GOVERNMENT ACCESS.—

7 (1) IN GENERAL.—Section 2703 of title 18,
8 United States Code, is amended—

9 (A) by striking the section heading and in-
10 serting the following:

11 **“§ 2703. Required disclosure of customer communica-**
12 **tions or records”;**

13 (B) in subsection (c) by redesignating
14 paragraph (2) as paragraph (3);

15 (C) in subsection (c)(1)—

16 (i) by striking “(A) Except as pro-
17 vided in subparagraph (B), a provider of
18 electronic communication service or remote
19 computing service may” and inserting “A
20 governmental entity may require a provider
21 of electronic communication service or re-
22 mote computing service to”;

23 (ii) by striking “covered by subsection
24 (a) or (b) of this section) to any person
25 other than a governmental entity.

1 “(B) A provider of electronic communica-
2 tion service or remote computing service shall
3 disclose a record or other information per-
4 taining to a subscriber to or customer of such
5 service (not including the contents of commu-
6 nications covered by subsection (a) or (b) of
7 this section) to a governmental entity” and in-
8 serting “()”;

9 (iii) by redesignating subparagraph
10 (C) as paragraph (2);

11 (iv) by redesignating clauses (i), (ii),
12 (iii), and (iv) as subparagraphs (A), (B),
13 (C), and (D), respectively;

14 (v) in subparagraph (D) (as redesign-
15 ated) by striking the period and inserting
16 “; or”; and

17 (vi) by inserting after subparagraph
18 (D) (as redesignated) the following:

19 “(E) seeks information under paragraph
20 (2).”; and

21 (D) in paragraph (2) (as redesignated) by
22 striking “subparagraph (B)” and insert “para-
23 graph (1)”.

24 (2) TECHNICAL AND CONFORMING AMEND-
25 MENT.—The table of sections for chapter 121 of

1 title 18, United States Code, is amended by striking
2 the item relating to section 2703 and inserting the
3 following:

“2703. Required disclosure of customer communications or records.”.

4 **SEC. 213. AUTHORITY FOR DELAYING NOTICE OF THE EXECU-**
5 **CUTION OF A WARRANT.**

6 Section 3103a of title 18, United States Code, is
7 amended—

8 (1) by inserting “(a) IN GENERAL.—” before
9 “In addition”; and

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

11 “(b) DELAY.—With respect to the issuance of any
12 warrant or court order under this section, or any other
13 rule of law, to search for and seize any property or mate-
14 rial that constitutes evidence of a criminal offense in viola-
15 tion of the laws of the United States, any notice required,
16 or that may be required, to be given may be delayed if—

17 “(1) the court finds reasonable cause to believe
18 that providing immediate notification of the execu-
19 tion of the warrant may have an adverse result (as
20 defined in section 2705);

21 “(2) the warrant prohibits the seizure of any
22 tangible property, any wire or electronic communica-
23 tion (as defined in section 2510), or, except as ex-
24 pressly provided in chapter 121, any stored wire or

1 electronic information, except where the court finds
2 reasonable necessity for the seizure; and

3 “(3) the warrant provides for the giving of such
4 notice within a reasonable period of its execution,
5 which period may thereafter be extended by the
6 court for good cause shown.”.

7 **SEC. 214. PEN REGISTER AND TRAP AND TRACE AUTHOR-**
8 **ITY UNDER FISA.**

9 (a) APPLICATIONS AND ORDERS.—Section 402 of the
10 Foreign Intelligence Surveillance Act of 1978 (50 U.S.C.
11 1842) is amended—

12 (1) in subsection (a)(1), by striking “for any in-
13 vestigation to gather foreign intelligence information
14 or information concerning international terrorism”
15 and inserting “for any investigation to obtain for-
16 eign intelligence information not concerning a
17 United States person or to protect against inter-
18 national terrorism or clandestine intelligence activi-
19 ties, provided that such investigation of a United
20 States person is not conducted solely upon the basis
21 of activities protected by the first amendment to the
22 Constitution”;

23 (2) by amending subsection (c)(2) to read as
24 follows:

1 “(2) a certification by the applicant that the in-
2 formation likely to be obtained is foreign intelligence
3 information not concerning a United States person
4 or is relevant to an ongoing investigation to protect
5 against international terrorism or clandestine intel-
6 ligence activities, provided that such investigation of
7 a United States person is not conducted solely upon
8 the basis of activities protected by the first amend-
9 ment to the Constitution.”;

10 (3) by striking subsection (c)(3); and

11 (4) by amending subsection (d)(2)(A) to read
12 as follows:

13 “(A) shall specify—

14 “(i) the identity, if known, of the per-
15 son who is the subject of the investigation;

16 “(ii) the identity, if known, of the per-
17 son to whom is leased or in whose name is
18 listed the telephone line or other facility to
19 which the pen register or trap and trace
20 device is to be attached or applied;

21 “(iii) the attributes of the communica-
22 tions to which the order applies, such as
23 the number or other identifier, and, if
24 known, the location of the telephone line or
25 other facility to which the pen register or

1 trap and trace device is to be attached or
2 applied and, in the case of a trap and trace
3 device, the geographic limits of the trap
4 and trace order.”.

5 (b) AUTHORIZATION DURING EMERGENCIES.—Sec-
6 tion 403 of the Foreign Intelligence Surveillance Act of
7 1978 (50 U.S.C. 1843) is amended—

8 (1) in subsection (a), by striking “foreign intel-
9 ligence information or information concerning inter-
10 national terrorism” and inserting “foreign intel-
11 ligence information not concerning a United States
12 person or information to protect against inter-
13 national terrorism or clandestine intelligence activi-
14 ties, provided that such investigation of a United
15 States person is not conducted solely upon the basis
16 of activities protected by the first amendment to the
17 Constitution”; and

18 (2) in subsection (b)(1), by striking “foreign in-
19 telligence information or information concerning
20 international terrorism” and inserting “foreign intel-
21 ligence information not concerning a United States
22 person or information to protect against inter-
23 national terrorism or clandestine intelligence activi-
24 ties, provided that such investigation of a United
25 States person is not conducted solely upon the basis

1 of activities protected by the first amendment to the
2 Constitution”.

3 **SEC. 215. ACCESS TO RECORDS AND OTHER ITEMS UNDER**
4 **THE FOREIGN INTELLIGENCE SURVEIL-**
5 **LANCE ACT.**

6 Title V of the Foreign Intelligence Surveillance Act
7 of 1978 (50 U.S.C. 1861 et seq.) is amended by striking
8 sections 501 through 503 and inserting the following:

9 **“SEC. 501. ACCESS TO CERTAIN BUSINESS RECORDS FOR**
10 **FOREIGN INTELLIGENCE AND INTER-**
11 **NATIONAL TERRORISM INVESTIGATIONS.**

12 “(a)(1) The Director of the Federal Bureau of Inves-
13 tigation or a designee of the Director (whose rank shall
14 be no lower than Assistant Special Agent in Charge) may
15 make an application for an order requiring the production
16 of any tangible things (including books, records, papers,
17 documents, and other items) for an investigation to pro-
18 tect against international terrorism or clandestine intel-
19 ligence activities, provided that such investigation of a
20 United States person is not conducted solely upon the
21 basis of activities protected by the first amendment to the
22 Constitution.

23 “(2) An investigation conducted under this section
24 shall—

1 “(A) be conducted under guidelines approved by
2 the Attorney General under Executive Order 12333
3 (or a successor order); and

4 “(B) not be conducted of a United States per-
5 son solely upon the basis of activities protected by
6 the first amendment to the Constitution of the
7 United States.

8 “(b) Each application under this section—

9 “(1) shall be made to—

10 “(A) a judge of the court established by
11 section 103(a); or

12 “(B) a United States Magistrate Judge
13 under chapter 43 of title 28, United States
14 Code, who is publicly designated by the Chief
15 Justice of the United States to have the power
16 to hear applications and grant orders for the
17 production of tangible things under this section
18 on behalf of a judge of that court; and

19 “(2) shall specify that the records concerned
20 are sought for an authorized investigation conducted
21 in accordance with subsection (a)(2) to protect
22 against international terrorism or clandestine intel-
23 ligence activities.

24 “(c)(1) Upon an application made pursuant to this
25 section, the judge shall enter an ex parte order as re-

1 requested, or as modified, approving the release of records
2 if the judge finds that the application meets the require-
3 ments of this section.

4 “(2) An order under this subsection shall not disclose
5 that it is issued for purposes of an investigation described
6 in subsection (a).

7 “(d) No person shall disclose to any other person
8 (other than those persons necessary to produce the tan-
9 gible things under this section) that the Federal Bureau
10 of Investigation has sought or obtained tangible things
11 under this section.

12 “(e) A person who, in good faith, produces tangible
13 things under an order pursuant to this section shall not
14 be liable to any other person for such production. Such
15 production shall not be deemed to constitute a waiver of
16 any privilege in any other proceeding or context.

17 **“SEC. 502. CONGRESSIONAL OVERSIGHT.**

18 “(a) On a semiannual basis, the Attorney General
19 shall fully inform the Permanent Select Committee on In-
20 telligence of the House of Representatives and the Select
21 Committee on Intelligence of the Senate concerning all re-
22 quests for the production of tangible things under section
23 402.

24 “(b) On a semiannual basis, the Attorney General
25 shall provide to the Committees on the Judiciary of the

1 House of Representatives and the Senate a report setting
2 forth with respect to the preceding 6-month period—

3 “(1) the total number of applications made for
4 orders approving requests for the production of tan-
5 gible things under section 402; and

6 “(2) the total number of such orders either
7 granted, modified, or denied.”.

8 **SEC. 216. MODIFICATION OF AUTHORITIES RELATING TO**
9 **USE OF PEN REGISTERS AND TRAP AND**
10 **TRACE DEVICES.**

11 (a) GENERAL LIMITATIONS.—Section 3121(c) of title
12 18, United States Code, is amended—

13 (1) by inserting “or trap and trace device”
14 after “pen register”;

15 (2) by inserting “, routing, addressing,” after
16 “dialing”; and

17 (3) by striking “call processing” and inserting
18 “the processing and transmitting of wire or elec-
19 tronic communications so as not to include the con-
20 tents of any wire or electronic communications”.

21 (b) ISSUANCE OF ORDERS.—

22 (1) IN GENERAL.—Section 3123(a) of title 18,
23 United States Code, is amended to read as follows:

24 “(a) IN GENERAL.—

1 “(1) ATTORNEY FOR THE GOVERNMENT.—
2 Upon an application made under section 3122(a)(1),
3 the court shall enter an ex parte order authorizing
4 the installation and use of a pen register or trap and
5 trace device anywhere within the United States, if
6 the court finds that the attorney for the Government
7 has certified to the court that the information likely
8 to be obtained by such installation and use is rel-
9 evant to an ongoing criminal investigation. The
10 order, upon service of that order, shall apply to any
11 person or entity providing wire or electronic commu-
12 nication service in the United States whose assist-
13 ance may facilitate the execution of the order.
14 Whenever such an order is served on any person or
15 entity not specifically named in the order, upon re-
16 quest of such person or entity, the attorney for the
17 Government or law enforcement or investigative offi-
18 cer that is serving the order shall provide written or
19 electronic certification that the order applies to the
20 person or entity being served.

21 “(2) STATE INVESTIGATIVE OR LAW ENFORCE-
22 MENT OFFICER.—Upon an application made under
23 section 3122(a)(2), the court shall enter an ex parte
24 order authorizing the installation and use of a pen
25 register or trap and trace device within the jurisdic-

1 tion of the court, if the court finds that the State
2 law enforcement or investigative officer has certified
3 to the court that the information likely to be ob-
4 tained by such installation and use is relevant to an
5 ongoing criminal investigation.

6 “(3)(A) Where the law enforcement agency im-
7 plementing an ex parte order under this subsection
8 seeks to do so by installing and using its own pen
9 register or trap and trace device on a packet-
10 switched data network of a provider of electronic
11 communication service to the public, the agency shall
12 ensure that a record will be maintained which will
13 identify—

14 “(i) any officer or officers who installed
15 the device and any officer or officers who
16 accessed the device to obtain information from
17 the network;

18 “(ii) the date and time the device was in-
19 stalled, the date and time the device was
20 uninstalled, and the date, time, and duration of
21 each time the device is accessed to obtain infor-
22 mation;

23 “(iii) the configuration of the device at the
24 time of its installation and any subsequent
25 modification thereof; and

1 “(iv) any information which has been col-
2 lected by the device.

3 To the extent that the pen register or trap and trace
4 device can be set automatically to record this infor-
5 mation electronically, the record shall be maintained
6 electronically throughout the installation and use of
7 such device.

8 “(B) The record maintained under subpara-
9 graph (A) shall be provided ex parte and under seal
10 to the court which entered the ex parte order au-
11 thorizing the installation and use of the device with-
12 in 30 days after termination of the order (including
13 any extensions thereof).”.

14 (2) CONTENTS OF ORDER.—Section 3123(b)(1)
15 of title 18, United States Code, is amended—

16 (A) in subparagraph (A)—

17 (i) by inserting “or other facility”
18 after “telephone line”; and

19 (ii) by inserting before the semicolon
20 at the end “or applied”; and

21 (B) by striking subparagraph (C) and in-
22 serting the following:

23 “(C) the attributes of the communications
24 to which the order applies, including the num-
25 ber or other identifier and, if known, the loca-

1 tion of the telephone line or other facility to
2 which the pen register or trap and trace device
3 is to be attached or applied, and, in the case of
4 an order authorizing installation and use of a
5 trap and trace device under subsection (a)(2),
6 the geographic limits of the order; and”.

7 (3) NONDISCLOSURE REQUIREMENTS.—Section
8 3123(d)(2) of title 18, United States Code, is
9 amended—

10 (A) by inserting “or other facility” after
11 “the line”; and

12 (B) by striking “, or who has been ordered
13 by the court” and inserting “or applied, or who
14 is obligated by the order”.

15 (c) DEFINITIONS.—

16 (1) COURT OF COMPETENT JURISDICTION.—
17 Section 3127(2) of title 18, United States Code, is
18 amended by striking subparagraph (A) and inserting
19 the following:

20 “(A) any district court of the United
21 States (including a magistrate judge of such a
22 court) or any United States court of appeals
23 having jurisdiction over the offense being inves-
24 tigated; or”.

1 (2) PEN REGISTER.—Section 3127(3) of title
2 18, United States Code, is amended—

3 (A) by striking “electronic or other im-
4 pulses” and all that follows through “is at-
5 tached” and inserting “dialing, routing, ad-
6 dressing, or signaling information transmitted
7 by an instrument or facility from which a wire
8 or electronic communication is transmitted, pro-
9 vided, however, that such information shall not
10 include the contents of any communication”;
11 and

12 (B) by inserting “or process” after “de-
13 vice” each place it appears.

14 (3) TRAP AND TRACE DEVICE.—Section
15 3127(4) of title 18, United States Code, is
16 amended—

17 (A) by striking “of an instrument” and all
18 that follows through the semicolon and insert-
19 ing “or other dialing, routing, addressing, and
20 signaling information reasonably likely to iden-
21 tify the source of a wire or electronic commu-
22 nication, provided, however, that such informa-
23 tion shall not include the contents of any com-
24 munication;”; and

1 (B) by inserting “or process” after “a de-
2 vice”.

3 (4) CONFORMING AMENDMENT.—Section
4 3127(1) of title 18, United States Code, is
5 amended—

6 (A) by striking “and”; and

7 (B) by inserting “, and ‘contents’” after
8 “electronic communication service”.

9 (5) TECHNICAL AMENDMENT.—Section 3124(d)
10 of title 18, United States Code, is amended by strik-
11 ing “the terms of”.

12 (6) CONFORMING AMENDMENT.—Section
13 3124(b) of title 18, United States Code, is amended
14 by inserting “or other facility” after “the appro-
15 priate line”.

16 **SEC. 217. INTERCEPTION OF COMPUTER TRESPASSER COM-**
17 **MUNICATIONS.**

18 Chapter 119 of title 18, United States Code, is
19 amended—

20 (1) in section 2510—

21 (A) in paragraph (18), by striking “and”
22 at the end;

23 (B) in paragraph (19), by striking the pe-
24 riod and inserting a semicolon; and

1 (C) by inserting after paragraph (19) the
2 following:

3 “(20) ‘protected computer’ has the meaning set
4 forth in section 1030; and

5 “(21) ‘computer trespasser’—

6 “(A) means a person who accesses a pro-
7 tected computer without authorization and thus
8 has no reasonable expectation of privacy in any
9 communication transmitted to, through, or from
10 the protected computer; and

11 “(B) does not include a person known by
12 the owner or operator of the protected computer
13 to have an existing contractual relationship with
14 the owner or operator of the protected computer
15 for access to all or part of the protected com-
16 puter.”; and

17 (2) in section 2511(2), by inserting at the end
18 the following:

19 “(i) It shall not be unlawful under this chapter for
20 a person acting under color of law to intercept the wire
21 or electronic communications of a computer trespasser
22 transmitted to, through, or from the protected computer,
23 if—

24 “(I) the owner or operator of the protected
25 computer authorizes the interception of the com-

1 puter trespasser’s communications on the protected
2 computer;

3 “(II) the person acting under color of law is
4 lawfully engaged in an investigation;

5 “(III) the person acting under color of law has
6 reasonable grounds to believe that the contents of
7 the computer trespasser’s communications will be
8 relevant to the investigation; and

9 “(IV) such interception does not acquire com-
10 munications other than those transmitted to or from
11 the computer trespasser.”.

12 **SEC. 218. FOREIGN INTELLIGENCE INFORMATION.**

13 Sections 104(a)(7)(B) and section 303(a)(7)(B) (50
14 U.S.C. 1804(a)(7)(B) and 1823(a)(7)(B)) of the Foreign
15 Intelligence Surveillance Act of 1978 are each amended
16 by striking “the purpose” and inserting “a significant pur-
17 pose”.

18 **SEC. 219. SINGLE-JURISDICTION SEARCH WARRANTS FOR**
19 **TERRORISM.**

20 Rule 41(a) of the Federal Rules of Criminal Proce-
21 dure is amended by inserting after “executed” the fol-
22 lowing: “and (3) in an investigation of domestic terrorism
23 or international terrorism (as defined in section 2331 of
24 title 18, United States Code), by a Federal magistrate
25 judge in any district in which activities related to the ter-

1 rorism may have occurred, for a search of property or for
2 a person within or outside the district”.

3 **SEC. 220. NATIONWIDE SERVICE OF SEARCH WARRANTS**
4 **FOR ELECTRONIC EVIDENCE.**

5 (a) IN GENERAL.—Chapter 121 of title 18, United
6 States Code, is amended—

7 (1) in section 2703, by striking “under the
8 Federal Rules of Criminal Procedure” every place it
9 appears and inserting “using the procedures de-
10 scribed in the Federal Rules of Criminal Procedure
11 by a court with jurisdiction over the offense under
12 investigation”; and

13 (2) in section 2711—

14 (A) in paragraph (1), by striking “and”;

15 (B) in paragraph (2), by striking the pe-
16 riod and inserting “; and”; and

17 (C) by inserting at the end the following:

18 “(3) the term ‘court of competent jurisdiction’
19 has the meaning assigned by section 3127, and in-
20 cludes any Federal court within that definition,
21 without geographic limitation.”.

22 (b) CONFORMING AMENDMENT.—Section 2703(d) of
23 title 18, United States Code, is amended by striking “de-
24 scribed in section 3127(2)(A)”.

1 **SEC. 221. TRADE SANCTIONS.**

2 (a) IN GENERAL.—The Trade Sanctions Reform and
3 Export Enhancement Act of 2000 (Public Law 106–387;
4 114 Stat. 1549A–67) is amended—

5 (1) by amending section 904(2)(C) to read as
6 follows:

7 “(C) used to facilitate the design, develop-
8 ment, or production of chemical or biological
9 weapons, missiles, or weapons of mass destruc-
10 tion.”;

11 (2) in section 906(a)(1)—

12 (A) by inserting “, the Taliban or the ter-
13 ritory of Afghanistan controlled by the
14 Taliban,” after “Cuba”; and

15 (B) by inserting “, or in the territory of
16 Afghanistan controlled by the Taliban,” after
17 “within such country”; and

18 (3) in section 906(a)(2), by inserting “, or to
19 any other entity in Syria or North Korea” after
20 “Korea”.

21 (b) APPLICATION OF THE TRADE SANCTIONS RE-
22 FORM AND EXPORT ENHANCEMENT ACT.—Nothing in the
23 Trade Sanctions Reform and Export Enhancement Act of
24 2000 shall limit the application or scope of any law estab-
25 lishing criminal or civil penalties, including any executive
26 order or regulation promulgated pursuant to such laws (or

1 similar or successor laws), for the unlawful export of any
2 agricultural commodity, medicine, or medical device to—

3 (1) a foreign organization, group, or person
4 designated pursuant to Executive Order 12947 of
5 January 23, 1995, as amended;

6 (2) a Foreign Terrorist Organization pursuant
7 to the Antiterrorism and Effective Death Penalty
8 Act of 1996 (Public Law 104–132);

9 (3) a foreign organization, group, or person
10 designated pursuant to Executive Order 13224 (Sep-
11 tember 23, 2001);

12 (4) any narcotics trafficking entity designated
13 pursuant to Executive Order 12978 (October 21,
14 1995) or the Foreign Narcotics Kingpin Designation
15 Act (Public Law 106–120); or

16 (5) any foreign organization, group, or persons
17 subject to any restriction for its involvement in
18 weapons of mass destruction or missile proliferation.

19 **SEC. 222. ASSISTANCE TO LAW ENFORCEMENT AGENCIES.**

20 Nothing in this Act shall impose any additional tech-
21 nical obligation or requirement on a provider of a wire or
22 electronic communication service or other person to fur-
23 nish facilities or technical assistance. A provider of a wire
24 or electronic communication service, landlord, custodian,
25 or other person who furnishes facilities or technical assist-

1 ance pursuant to section 216 shall be reasonably com-
2 pensated for such reasonable expenditures incurred in pro-
3 viding such facilities or assistance.

4 **SEC. 223. CIVIL LIABILITY FOR CERTAIN UNAUTHORIZED**
5 **DISCLOSURES.**

6 (a) Section 2520 of title 18, United States Code, is
7 amended—

8 (1) in subsection (a), after “entity”, by insert-
9 ing “, other than the United States,”;

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

11 “(f) ADMINISTRATIVE DISCIPLINE.—If a court or ap-
12 propriate department or agency determines that the
13 United States or any of its departments or agencies has
14 violated any provision of this chapter, and the court or
15 appropriate department or agency finds that the cir-
16 cumstances surrounding the violation raise serious ques-
17 tions about whether or not an officer or employee of the
18 United States acted willfully or intentionally with respect
19 to the violation, the department or agency shall, upon re-
20 ceipt of a true and correct copy of the decision and find-
21 ings of the court or appropriate department or agency
22 promptly initiate a proceeding to determine whether dis-
23 ciplinary action against the officer or employee is war-
24 ranted. If the head of the department or agency involved
25 determines that disciplinary action is not warranted, he

1 or she shall notify the Inspector General with jurisdiction
2 over the department or agency concerned and shall provide
3 the Inspector General with the reasons for such deter-
4 mination.”; and

5 (3) by adding a new subsection (g), as follows:

6 “(g) IMPROPER DISCLOSURE IS VIOLATION.—Any
7 willful disclosure or use by an investigative or law enforce-
8 ment officer or governmental entity of information beyond
9 the extent permitted by section 2517 is a violation of this
10 chapter for purposes of section 2520(a).

11 (b) Section 2707 of title 18, United States Code, is
12 amended—

13 (1) in subsection (a), after “entity”, by insert-
14 ing “, other than the United States,”;

15 (2) by striking subsection (d) and inserting the
16 following:

17 “(d) ADMINISTRATIVE DISCIPLINE.—If a court or
18 appropriate department or agency determines that the
19 United States or any of its departments or agencies has
20 violated any provision of this chapter, and the court or
21 appropriate department or agency finds that the cir-
22 cumstances surrounding the violation raise serious ques-
23 tions about whether or not an officer or employee of the
24 United States acted willfully or intentionally with respect
25 to the violation, the department or agency shall, upon re-

1 ceipt of a true and correct copy of the decision and find-
2 ings of the court or appropriate department or agency
3 promptly initiate a proceeding to determine whether dis-
4 ciplinary action against the officer or employee is war-
5 ranted. If the head of the department or agency involved
6 determines that disciplinary action is not warranted, he
7 or she shall notify the Inspector General with jurisdiction
8 over the department or agency concerned and shall provide
9 the Inspector General with the reasons for such deter-
10 mination.”; and

11 (3) by adding a new subsection (g), as follows:

12 “(g) IMPROPER DISCLOSURE.—Any willful disclosure
13 of a ‘record’, as that term is defined in section 552a(a)
14 of title 5, United States Code, obtained by an investigative
15 or law enforcement officer, or a governmental entity, pur-
16 suant to section 2703 of this title, or from a device in-
17 stalled pursuant to section 3123 or 3125 of this title, that
18 is not a disclosure made in the proper performance of the
19 official functions of the officer or governmental entity
20 making the disclosure, is a violation of this chapter. This
21 provision shall not apply to information previously lawfully
22 disclosed (prior to the commencement of any civil or ad-
23 ministrative proceeding under this chapter) to the public
24 by a Federal, State, or local governmental entity or by
25 the plaintiff in a civil action under this chapter.”.

1 (c)(1) Chapter 121 of title 18, United States Code,
2 is amended by adding at the end the following:

3 **“§ 2712. Civil actions against the United States**

4 “(a) IN GENERAL.—Any person who is aggrieved by
5 any willful violation of this chapter or of chapter 119 of
6 this title or of sections 106(a), 305(a), or 405(a) of the
7 Foreign Intelligence Surveillance Act of 1978 (50 U.S.C.
8 1801 et seq.) may commence an action in United States
9 District Court against the United States to recover money
10 damages. In any such action, if a person who is aggrieved
11 successfully establishes such a violation of this chapter or
12 of chapter 119 of this title or of the above specific provi-
13 sions of title 50, the Court may assess as damages—

14 “(1) actual damages, but not less than
15 \$10,000, whichever amount is greater; and

16 “(2) litigation costs, reasonably incurred.

17 “(b) PROCEDURES.—(1) Any action against the
18 United States under this section may be commenced only
19 after a claim is presented to the appropriate department
20 or agency under the procedures of the Federal Tort
21 Claims Act, as set forth in title 28, United States Code.

22 “(2) Any action against the United States
23 under this section shall be forever barred unless it
24 is presented in writing to the appropriate Federal
25 agency within 2 years after such claim accrues or

1 unless action is begun within 6 months after the
2 date of mailing, by certified or registered mail, of
3 notice of final denial of the claim by the agency to
4 which it was presented. The claim shall accrue on
5 the date upon which the claimant first has a reason-
6 able opportunity to discover the violation.”.

7 “(3) Any action under this section shall be tried to
8 the court without a jury.

9 “(4) Notwithstanding any other provision of law, the
10 procedures set forth in section 106(f), 305(g), or 405(f)
11 of the Foreign Intelligence Surveillance Act of 1978 (50
12 U.S.C. 1801 et seq.) shall be the exclusive means by which
13 materials governed by those sections may be reviewed.

14 “(5) An amount equal to any award against the
15 United States under this section shall be reimbursed by
16 the department or agency concerned to the fund described
17 in section 1304 of title 31, United States Code, out of
18 any appropriation, fund, or other account (excluding any
19 part of such appropriation, fund, or account that is avail-
20 able for the enforcement of any Federal law) that is avail-
21 able for the operating expenses of the department or agen-
22 cy concerned.

23 “(c) ADMINISTRATIVE DISCIPLINE.—If a court or ap-
24 propriate department or agency determines that the
25 United States or any of its departments or agencies has

1 violated any provision of this chapter, and the court or
2 appropriate department or agency finds that the cir-
3 cumstances surrounding the violation raise serious ques-
4 tions about whether or not an officer or employee of the
5 United States acted willfully or intentionally with respect
6 to the possible violation, the department or agency shall,
7 upon receipt of a true and correct copy of the decision
8 and findings of the court or appropriate department or
9 agency promptly initiate a proceeding to determine wheth-
10 er disciplinary action against the officer or employee is
11 warranted. If the head of the department or agency in-
12 volved determines that disciplinary action is not war-
13 ranted, he or she shall notify the Inspector General with
14 jurisdiction over the department or agency concerned and
15 shall provide the Inspector General with the reasons for
16 such determination.

17 “(d) EXCLUSIVE REMEDY.—Any action against the
18 United States under this subsection shall be the exclusive
19 remedy against the United States for any claims within
20 the purview of this section.

21 “(e) STAY OF PROCEEDINGS.—(1) Upon the motion
22 of the United States, the court shall stay any action com-
23 menced under this section if the court determines that civil
24 discovery will adversely affect the ability of the Govern-
25 ment to conduct a related investigation or the prosecution

1 of a related criminal case. Such a stay shall toll the limita-
2 tions periods of paragraph (2) of subsection (b).

3 “(2) In this subsection, the terms ‘related criminal
4 case’ and ‘related investigation’ mean an actual prosecu-
5 tion or investigation in progress at the time at which the
6 request for the stay or any subsequent motion to lift the
7 stay is made. In determining whether an investigation or
8 a criminal case is related to an action commenced under
9 this section, the court shall consider the degree of simi-
10 larity between the parties, witnesses, facts, and cir-
11 cumstances involved in the 2 proceedings, without requir-
12 ing that any one or more factors be identical.

13 “(3) In requesting a stay under paragraph (1), the
14 Government may, in appropriate cases, submit evidence ex
15 parte in order to avoid disclosing any matter that may
16 adversely affect a related investigation or a related crimi-
17 nal case. If the Government makes such an ex parte sub-
18 mission, the plaintiff shall be given an opportunity to
19 make a submission to the court, not ex parte, and the
20 court may, in its discretion, request further information
21 from either party.”.

22 (2) The table of sections at the beginning of chapter
23 121 is amended to read as follows:

“2712. Civil action against the United States.”.

1 **SEC. 224. SUNSET.**

2 (a) IN GENERAL.—Except as provided in subsection
3 (b), this title and the amendments made by this title
4 (other than sections 203(a), 203(c), 205, 208, 210, 211,
5 213, 216, 219, 221, and 222, and the amendments made
6 by those sections) shall cease to have effect on December
7 31, 2005.

8 (b) EXCEPTION.—With respect to any particular for-
9 eign intelligence investigation that began before the date
10 on which the provisions referred to in subsection (a) cease
11 to have effect, or with respect to any particular offense
12 or potential offense that began or occurred before the date
13 on which such provisions cease to have effect, such provi-
14 sions shall continue in effect.

15 **SEC. 225. IMMUNITY FOR COMPLIANCE WITH FISA WIRE-**
16 **TAP.**

17 Section 105 of the Foreign Intelligence Surveillance
18 Act of 1978 (50 U.S.C. 1805) is amended by inserting
19 after subsection (g) the following:

20 “(h) No cause of action shall lie in any court against
21 any provider of a wire or electronic communication service,
22 landlord, custodian, or other person (including any officer,
23 employee, agent, or other specified person thereof) that
24 furnishes any information, facilities, or technical assist-
25 ance in accordance with a court order or request for emer-
26 gency assistance under this Act.”.

1 **TITLE** **III—INTERNATIONAL**
2 **MONEY LAUNDERING ABATE-**
3 **MENT AND ANTI-TERRORIST**
4 **FINANCING ACT OF 2001**

5 **SEC. 301. SHORT TITLE.**

6 This title may be cited as the “International Money
7 Laundering Abatement and Financial Anti-Terrorism Act
8 of 2001”.

9 **SEC. 302. FINDINGS AND PURPOSES.**

10 (a) **FINDINGS.**—The Congress finds that—

11 (1) money laundering, estimated by the Inter-
12 national Monetary Fund to amount to between 2
13 and 5 percent of global gross domestic product,
14 which is at least \$600,000,000,000 annually, pro-
15 vides the financial fuel that permits transnational
16 criminal enterprises to conduct and expand their op-
17 erations to the detriment of the safety and security
18 of American citizens;

19 (2) money laundering, and the defects in finan-
20 cial transparency on which money launderers rely,
21 are critical to the financing of global terrorism and
22 the provision of funds for terrorist attacks;

23 (3) money launderers subvert legitimate finan-
24 cial mechanisms and banking relationships by using
25 them as protective covering for the movement of

1 criminal proceeds and the financing of crime and
2 terrorism, and, by so doing, can threaten the safety
3 of United States citizens and undermine the integ-
4 rity of United States financial institutions and of the
5 global financial and trading systems upon which
6 prosperity and growth depend;

7 (4) certain jurisdictions outside of the United
8 States that offer “offshore” banking and related fa-
9 cilities designed to provide anonymity, coupled with
10 weak financial supervisory and enforcement regimes,
11 provide essential tools to disguise ownership and
12 movement of criminal funds, derived from, or used
13 to commit, offenses ranging from narcotics traf-
14 ficking, terrorism, arms smuggling, and trafficking
15 in human beings, to financial frauds that prey on
16 law-abiding citizens;

17 (5) transactions involving such offshore juris-
18 dictions make it difficult for law enforcement offi-
19 cials and regulators to follow the trail of money
20 earned by criminals, organized international criminal
21 enterprises, and global terrorist organizations;

22 (6) correspondent banking facilities are one of
23 the banking mechanisms susceptible in some cir-
24 cumstances to manipulation by foreign banks to per-

1 mit the laundering of funds by hiding the identity of
2 real parties in interest to financial transactions;

3 (7) private banking services can be susceptible
4 to manipulation by money launderers, for example
5 corrupt foreign government officials, particularly if
6 those services include the creation of offshore ac-
7 counts and facilities for large personal funds trans-
8 fers to channel funds into accounts around the
9 globe;

10 (8) United States anti-money laundering efforts
11 are impeded by outmoded and inadequate statutory
12 provisions that make investigations, prosecutions,
13 and forfeitures more difficult, particularly in cases
14 in which money laundering involves foreign persons,
15 foreign banks, or foreign countries;

16 (9) the ability to mount effective counter-meas-
17 ures to international money launderers requires na-
18 tional, as well as bilateral and multilateral action,
19 using tools specially designed for that effort; and

20 (10) the Basle Committee on Banking Regula-
21 tion and Supervisory Practices and the Financial
22 Action Task Force on Money Laundering, of both of
23 which the United States is a member, have each
24 adopted international anti-money laundering prin-
25 ciples and recommendations.

1 (b) PURPOSES.—The purposes of this title are—

2 (1) to increase the strength of United States
3 measures to prevent, detect, and prosecute inter-
4 national money laundering and the financing of ter-
5 rorism;

6 (2) to ensure that—

7 (A) banking transactions and financial re-
8 lationships and the conduct of such transactions
9 and relationships, do not contravene the pur-
10 poses of subchapter II of chapter 53 of title 31,
11 United States Code, section 21 of the Federal
12 Deposit Insurance Act, or chapter 2 of title I
13 of Public Law 91–508 (84 Stat. 1116), or fa-
14 cilitate the evasion of any such provision; and

15 (B) the purposes of such provisions of law
16 continue to be fulfilled, and such provisions of
17 law are effectively and efficiently administered;

18 (3) to strengthen the provisions put into place
19 by the Money Laundering Control Act of 1986 (18
20 U.S.C. 981 note), especially with respect to crimes
21 by non-United States nationals and foreign financial
22 institutions;

23 (4) to provide a clear national mandate for sub-
24 jecting to special scrutiny those foreign jurisdictions,
25 financial institutions operating outside of the United

1 States, and classes of international transactions or
2 types of accounts that pose particular, identifiable
3 opportunities for criminal abuse;

4 (5) to provide the Secretary of the Treasury (in
5 this title referred to as the “Secretary”) with broad
6 discretion, subject to the safeguards provided by the
7 Administrative Procedure Act under title 5, United
8 States Code, to take measures tailored to the par-
9 ticular money laundering problems presented by spe-
10 cific foreign jurisdictions, financial institutions oper-
11 ating outside of the United States, and classes of
12 international transactions or types of accounts;

13 (6) to ensure that the employment of such
14 measures by the Secretary permits appropriate op-
15 portunity for comment by affected financial institu-
16 tions;

17 (7) to provide guidance to domestic financial in-
18 stitutions on particular foreign jurisdictions, finan-
19 cial institutions operating outside of the United
20 States, and classes of international transactions that
21 are of primary money laundering concern to the
22 United States Government;

23 (8) to ensure that the forfeiture of any assets
24 in connection with the anti-terrorist efforts of the

1 United States permits for adequate challenge con-
2 sistent with providing due process rights;

3 (9) to clarify the terms of the safe harbor from
4 civil liability for filing suspicious activity reports;

5 (10) to strengthen the authority of the Sec-
6 retary to issue and administer geographic targeting
7 orders, and to clarify that violations of such orders
8 or any other requirement imposed under the author-
9 ity contained in chapter 2 of title I of Public Law
10 91–508 and subchapters II and III of chapter 53 of
11 title 31, United States Code, may result in criminal
12 and civil penalties;

13 (11) to ensure that all appropriate elements of
14 the financial services industry are subject to appro-
15 priate requirements to report potential money laun-
16 dering transactions to proper authorities, and that
17 jurisdictional disputes do not hinder examination of
18 compliance by financial institutions with relevant re-
19 porting requirements;

20 (12) to strengthen the ability of financial insti-
21 tutions to maintain the integrity of their employee
22 population; and

23 (13) to strengthen measures to prevent the use
24 of the United States financial system for personal
25 gain by corrupt foreign officials and to facilitate the

1 repatriation of any stolen assets to the citizens of
2 countries to whom such assets belong.

3 **SEC. 303. 4-YEAR CONGRESSIONAL REVIEW; EXPEDITED**
4 **CONSIDERATION.**

5 (a) **IN GENERAL.**—Effective on and after the first
6 day of fiscal year 2005, the provisions of this title and
7 the amendments made by this title shall terminate if the
8 Congress enacts a joint resolution, the text after the re-
9 solving clause of which is as follows: “That provisions of
10 the International Money Laundering Abatement and Anti-
11 Terrorist Financing Act of 2001, and the amendments
12 made thereby, shall no longer have the force of law.”.

13 (b) **EXPEDITED CONSIDERATION.**—Any joint resolu-
14 tion submitted pursuant to this section should be consid-
15 ered by the Congress expeditiously. In particular, it shall
16 be considered in the Senate in accordance with the provi-
17 sions of section 601(b) of the International Security As-
18 sistance and Arms Control Act of 1976.

1 **Subtitle A—International Counter**
2 **Money Laundering and Related**
3 **Measures**

4 **SEC. 311. SPECIAL MEASURES FOR JURISDICTIONS, FINAN-**
5 **CIAL INSTITUTIONS, OR INTERNATIONAL**
6 **TRANSACTIONS OF PRIMARY MONEY LAUN-**
7 **DERING CONCERN.**

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

11 **“§ 5318A. Special measures for jurisdictions, financial**
12 **institutions, or international transactions**
13 **of primary money laundering concern**

14 “(a) INTERNATIONAL COUNTER-MONEY LAUN-
15 DERING REQUIREMENTS.—

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

1 counts is of primary money laundering concern, in
2 accordance with subsection (c).

3 “(2) FORM OF REQUIREMENT.—The special
4 measures described in—

5 “(A) subsection (b) may be imposed in
6 such sequence or combination as the Secretary
7 shall determine;

8 “(B) paragraphs (1) through (4) of sub-
9 section (b) may be imposed by regulation,
10 order, or otherwise as permitted by law; and

11 “(C) subsection (b)(5) may be imposed
12 only by regulation.

13 “(3) DURATION OF ORDERS; RULEMAKING.—
14 Any order by which a special measure described in
15 paragraphs (1) through (4) of subsection (b) is im-
16 posed (other than an order described in section
17 5326)—

18 “(A) shall be issued together with a notice
19 of proposed rulemaking relating to the imposi-
20 tion of such special measure; and

21 “(B) may not remain in effect for more
22 than 120 days, except pursuant to a rule pro-
23 mulgated on or before the end of the 120-day
24 period beginning on the date of issuance of
25 such order.

1 “(4) PROCESS FOR SELECTING SPECIAL MEAS-
2 URES.—In selecting which special measure or meas-
3 ures to take under this subsection, the Secretary of
4 the Treasury—

5 “(A) shall consult with the Chairman of
6 the Board of Governors of the Federal Reserve
7 System, any other appropriate Federal banking
8 agency, as defined in section 3 of the Federal
9 Deposit Insurance Act, the Secretary of State,
10 the Securities and Exchange Commission, the
11 Commodity Futures Trading Commission, the
12 National Credit Union Administration Board,
13 and in the sole discretion of the Secretary, such
14 other agencies and interested parties as the
15 Secretary may find to be appropriate; and

16 “(B) shall consider—

17 “(i) whether similar action has been
18 or is being taken by other nations or multi-
19 lateral groups;

20 “(ii) whether the imposition of any
21 particular special measure would create a
22 significant competitive disadvantage, in-
23 cluding any undue cost or burden associ-
24 ated with compliance, for financial institu-

1 tions organized or licensed in the United
2 States;

3 “(iii) the extent to which the action or
4 the timing of the action would have a sig-
5 nificant adverse systemic impact on the
6 international payment, clearance, and set-
7 tlement system, or on legitimate business
8 activities involving the particular jurisdic-
9 tion, institution, or class of transactions;
10 and

11 “(iv) the effect of the action on
12 United States national security and foreign
13 policy.

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

19 “(b) SPECIAL MEASURES.—The special measures re-
20 ferred to in subsection (a), with respect to a jurisdiction
21 outside of the United States, financial institution oper-
22 ating outside of the United States, class of transaction
23 within, or involving, a jurisdiction outside of the United
24 States, or 1 or more types of accounts are as follows:

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

3 “(A) IN GENERAL.—The Secretary of the
4 Treasury may require any domestic financial in-
5 stitution or domestic financial agency to main-
6 tain records, file reports, or both, concerning
7 the aggregate amount of transactions, or con-
8 cerning each transaction, with respect to a ju-
9 risdiction outside of the United States, 1 or
10 more financial institutions operating outside of
11 the United States, 1 or more classes of trans-
12 actions within, or involving, a jurisdiction out-
13 side of the United States, or 1 or more types
14 of accounts if the Secretary finds any such ju-
15 risdiction, institution, or class of transactions to
16 be of primary money laundering concern.

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

23 “(i) the identity and address of the
24 participants in a transaction or relation-

1 ship, including the identity of the origi-
2 nator of any funds transfer;

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

5 “(iii) the identity of the beneficial
6 owner of the funds involved in any trans-
7 action, in accordance with such procedures
8 as the Secretary determines to be reason-
9 able and practicable to obtain and retain
10 the information; and

11 “(iv) a description of any transaction.

12 “(2) INFORMATION RELATING TO BENEFICIAL
13 OWNERSHIP.—In addition to any other requirement
14 under any other provision of law, the Secretary may
15 require any domestic financial institution or domes-
16 tic financial agency to take such steps as the Sec-
17 retary may determine to be reasonable and prac-
18 ticable to obtain and retain information concerning
19 the beneficial ownership of any account opened or
20 maintained in the United States by a foreign person
21 (other than a foreign entity whose shares are subject
22 to public reporting requirements or are listed and
23 traded on a regulated exchange or trading market),
24 or a representative of such a foreign person, that in-
25 volves a jurisdiction outside of the United States, 1

1 or more financial institutions operating outside of
2 the United States, 1 or more classes of transactions
3 within, or involving, a jurisdiction outside of the
4 United States, or 1 or more types of accounts if the
5 Secretary finds any such jurisdiction, institution, or
6 transaction or type of account to be of primary
7 money laundering concern.

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

24 “(A) to identify each customer (and rep-
25 resentative of such customer) of such financial

1 institution who is permitted to use, or whose
2 transactions are routed through, such payable-
3 through account; and

4 “(B) to obtain, with respect to each such
5 customer (and each such representative), infor-
6 mation that is substantially comparable to that
7 which the depository institution obtains in the
8 ordinary course of business with respect to its
9 customers residing in the United States.

10 “(4) INFORMATION RELATING TO CERTAIN COR-
11 RESPONDENT ACCOUNTS.—If the Secretary finds a
12 jurisdiction outside of the United States, 1 or more
13 financial institutions operating outside of the United
14 States, or 1 or more classes of transactions within,
15 or involving, a jurisdiction outside of the United
16 States to be of primary money laundering concern,
17 the Secretary may require any domestic financial in-
18 stitution or domestic financial agency that opens or
19 maintains a correspondent account in the United
20 States for a foreign financial institution involving
21 any such jurisdiction or any such financial institu-
22 tion operating outside of the United States, or a cor-
23 respondent account through which any such trans-
24 action may be conducted, as a condition of opening
25 or maintaining such account—

1 “(A) to identify each customer (and rep-
2 representative of such customer) of any such finan-
3 cial institution who is permitted to use, or
4 whose transactions are routed through, such
5 correspondent account; and

6 “(B) to obtain, with respect to each such
7 customer (and each such representative), infor-
8 mation that is substantially comparable to that
9 which the depository institution obtains in the
10 ordinary course of business with respect to its
11 customers residing in the United States.

12 “(5) PROHIBITIONS OR CONDITIONS ON OPEN-
13 ING OR MAINTAINING CERTAIN CORRESPONDENT OR
14 PAYABLE-THROUGH ACCOUNTS.—If the Secretary
15 finds a jurisdiction outside of the United States, 1
16 or more financial institutions operating outside of
17 the United States, or 1 or more classes of trans-
18 actions within, or involving, a jurisdiction outside of
19 the United States to be of primary money laun-
20 dering concern, the Secretary, in consultation with
21 the Secretary of State, the Attorney General, and
22 the Chairman of the Board of Governors of the Fed-
23 eral Reserve System, may prohibit, or impose condi-
24 tions upon, the opening or maintaining in the United
25 States of a correspondent account or payable-

1 through account by any domestic financial institu-
2 tion or domestic financial agency for or on behalf of
3 a foreign banking institution, if such correspondent
4 account or payable-through account involves any
5 such jurisdiction or institution, or if any such trans-
6 action may be conducted through such cor-
7 respondent account or payable-through account.

8 “(c) CONSULTATIONS AND INFORMATION TO BE
9 CONSIDERED IN FINDING JURISDICTIONS, INSTITUTIONS,
10 TYPES OF ACCOUNTS, OR TRANSACTIONS TO BE OF PRI-
11 MARY MONEY LAUNDERING CONCERN.—

12 “(1) IN GENERAL.—In making a finding that
13 reasonable grounds exist for concluding that a juris-
14 diction outside of the United States, 1 or more fi-
15 nancial institutions operating outside of the United
16 States, 1 or more classes of transactions within, or
17 involving, a jurisdiction outside of the United States,
18 or 1 or more types of accounts is of primary money
19 laundering concern so as to authorize the Secretary
20 of the Treasury to take 1 or more of the special
21 measures described in subsection (b), the Secretary
22 shall consult with the Secretary of State and the At-
23 torney General.

24 “(2) ADDITIONAL CONSIDERATIONS.—In mak-
25 ing a finding described in paragraph (1), the Sec-

1 retary shall consider in addition such information as
2 the Secretary determines to be relevant, including
3 the following potentially relevant factors:

4 “(A) JURISDICTIONAL FACTORS.—In the
5 case of a particular jurisdiction—

6 “(i) evidence that organized criminal
7 groups, international terrorists, or both,
8 have transacted business in that jurisdic-
9 tion;

10 “(ii) the extent to which that jurisdic-
11 tion or financial institutions operating in
12 that jurisdiction offer bank secrecy or spe-
13 cial regulatory advantages to nonresidents
14 or nondomiciliaries of that jurisdiction;

15 “(iii) the substance and quality of ad-
16 ministration of the bank supervisory and
17 counter-money laundering laws of that ju-
18 risdiction;

19 “(iv) the relationship between the vol-
20 ume of financial transactions occurring in
21 that jurisdiction and the size of the econ-
22 omy of the jurisdiction;

23 “(v) the extent to which that jurisdic-
24 tion is characterized as an offshore bank-
25 ing or secrecy haven by credible inter-

1 national organizations or multilateral ex-
2 pert groups;

3 “(vi) 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 and regu-
7 latory officials in obtaining information
8 about transactions originating in or routed
9 through or to such jurisdiction; and

10 “(vii) the extent to which that juris-
11 diction is characterized by high levels of of-
12 ficial or institutional corruption.

13 “(B) INSTITUTIONAL FACTORS.—In the
14 case of a decision to apply 1 or more of the spe-
15 cial measures described in subsection (b) only
16 to a financial institution or institutions, or to a
17 transaction or class of transactions, or to a type
18 of account, or to all 3, within or involving a
19 particular jurisdiction—

20 “(i) the extent to which such financial
21 institutions, transactions, or types of ac-
22 counts are used to facilitate or promote
23 money laundering in or through the juris-
24 diction;

1 “(ii) the extent to which such institu-
2 tions, transactions, or types of accounts
3 are used for legitimate business purposes
4 in the jurisdiction; and

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

13 “(d) NOTIFICATION OF SPECIAL MEASURES IN-
14 VOKED BY THE SECRETARY.—Not later than 10 days
15 after the date of any action taken by the Secretary of the
16 Treasury under subsection (a)(1), the Secretary shall no-
17 tify, in writing, the Committee on Financial Services of
18 the House of Representatives and the Committee on
19 Banking, Housing, and Urban Affairs of the Senate of any
20 such action.

21 “(e) DEFINITIONS.—Notwithstanding any other pro-
22 vision of this subchapter, for purposes of this section and
23 subsections (i) and (j) of section 5318, the following defi-
24 nitions shall apply:

1 “(1) BANK DEFINITIONS.—The following defini-
2 tions shall apply with respect to a bank:

3 “(A) ACCOUNT.—The term ‘account’—

4 “(i) means a formal banking or busi-
5 ness relationship established to provide
6 regular services, dealings, and other finan-
7 cial transactions; and

8 “(ii) includes a demand deposit, sav-
9 ings deposit, or other transaction or asset
10 account and a credit account or other ex-
11 tension of credit.

12 “(B) CORRESPONDENT ACCOUNT.—The
13 term ‘correspondent account’ means an account
14 established to receive deposits from, make pay-
15 ments on behalf of a foreign financial institu-
16 tion, or handle other financial transactions re-
17 lated to such institution.

18 “(C) PAYABLE-THROUGH ACCOUNT.—The
19 term ‘payable-through account’ means an ac-
20 count, including a transaction account (as de-
21 fined in section 19(b)(1)(C) of the Federal Re-
22 serve Act), opened at a depository institution by
23 a foreign financial institution by means of
24 which the foreign financial institution permits
25 its customers to engage, either directly or

1 through a subaccount, in banking activities
2 usual in connection with the business of bank-
3 ing in the United States.

4 “(2) DEFINITIONS APPLICABLE TO INSTITU-
5 TIONS OTHER THAN BANKS.—With respect to any fi-
6 nancial institution other than a bank, the Secretary
7 shall, after consultation with the appropriate Fed-
8 eral functional regulators (as defined in section 509
9 of the Gramm-Leach-Bliley Act), define by regula-
10 tion the term ‘account’, and shall include within the
11 meaning of that term, to the extent, if any, that the
12 Secretary deems appropriate, arrangements similar
13 to payable-through and correspondent accounts.

14 “(3) REGULATORY DEFINITION OF BENEFICIAL
15 OWNERSHIP.—The Secretary shall promulgate regu-
16 lations defining beneficial ownership of an account
17 for purposes of this section and subsections (i) and
18 (j) of section 5318. Such regulations shall address
19 issues related to an individual’s authority to fund,
20 direct, or manage the account (including, without
21 limitation, the power to direct payments into or out
22 of the account), and an individual’s material interest
23 in the income or corpus of the account, and shall en-
24 sure that the identification of individuals under this
25 section does not extend to any individual whose ben-

1 official interest in the income or corpus of the ac-
2 count is immaterial.”.

3 “(4) OTHER TERMS.—The Secretary may, by
4 regulation, further define the terms in paragraphs
5 (1), (2), and (3), and define other terms for the pur-
6 poses of this section, as the Secretary deems appro-
7 priate.”.

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

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

12 **SEC. 312. SPECIAL DUE DILIGENCE FOR CORRESPONDENT**
13 **ACCOUNTS AND PRIVATE BANKING AC-**
14 **COUNTS.**

15 (a) IN GENERAL.—Section 5318 of title 31, United
16 States Code, is amended by adding at the end the fol-
17 lowing:

18 “(i) DUE DILIGENCE FOR UNITED STATES PRIVATE
19 BANKING AND CORRESPONDENT BANK ACCOUNTS IN-
20 VOLVING FOREIGN PERSONS.—

21 “(1) IN GENERAL.—Each financial institution
22 that establishes, maintains, administers, or manages
23 a private banking account or a correspondent ac-
24 count in the United States for a non-United States

1 person, including a foreign individual visiting the
2 United States, or a representative of a non-United
3 States person shall establish appropriate, specific,
4 and, where necessary, enhanced, due diligence poli-
5 cies, procedures, and controls that are reasonably
6 designed to detect and report instances of money
7 laundering through those accounts.

8 “(2) ADDITIONAL STANDARDS FOR CERTAIN
9 CORRESPONDENT ACCOUNTS.—

10 “(A) IN GENERAL.—Subparagraph (B)
11 shall apply if a correspondent account is re-
12 quested or maintained by, or on behalf of, a
13 foreign bank operating—

14 “(i) under an offshore banking li-
15 cense; or

16 “(ii) under a banking license issued
17 by a foreign country that has been
18 designated—

19 “(I) as noncooperative with inter-
20 national anti-money laundering prin-
21 ciples or procedures by an intergov-
22 ernmental group or organization of
23 which the United States is a member,
24 with which designation the United

1 States representative to the group or
2 organization concurs; or

3 “(II) by the Secretary of the
4 Treasury as warranting special meas-
5 ures due to money laundering con-
6 cerns.

7 “(B) POLICIES, PROCEDURES, AND CON-
8 TROLS.—The enhanced due diligence policies,
9 procedures, and controls required under para-
10 graph (1) shall, at a minimum, ensure that the
11 financial institution in the United States takes
12 reasonable steps—

13 “(i) to ascertain for any such foreign
14 bank, the shares of which are not publicly
15 traded, the identity of each of the owners
16 of the foreign bank, and the nature and
17 extent of the ownership interest of each
18 such owner;

19 “(ii) to conduct enhanced scrutiny of
20 such account to guard against money laun-
21 dering and report any suspicious trans-
22 actions under subsection (g); and

23 “(iii) to ascertain whether such for-
24 eign bank provides correspondent accounts
25 to other foreign banks and, if so, the iden-

1 tity of those foreign banks and related due
2 diligence information, as appropriate under
3 paragraph (1).

4 “(3) MINIMUM STANDARDS FOR PRIVATE BANK-
5 ING ACCOUNTS.—If a private banking account is re-
6 quested or maintained by, or on behalf of, a non-
7 United States person, then the due diligence policies,
8 procedures, and controls required under paragraph
9 (1) shall, at a minimum, ensure that the financial
10 institution takes reasonable steps—

11 “(A) to ascertain the identity of the nomi-
12 nal and beneficial owners of, and the source of
13 funds deposited into, such account as needed to
14 guard against money laundering and report any
15 suspicious transactions under subsection (g);
16 and

17 “(B) to conduct enhanced scrutiny of any
18 such account that is requested or maintained
19 by, or on behalf of, a senior foreign political fig-
20 ure, or any immediate family member or close
21 associate of a senior foreign political figure that
22 is reasonably designed to detect and report
23 transactions that may involve the proceeds of
24 foreign corruption.

1 “(4) DEFINITION.—For purposes of this sub-
2 section, the following definitions shall apply:

3 “(A) OFFSHORE BANKING LICENSE.—The
4 term ‘offshore banking license’ means a license
5 to conduct banking activities which, as a condi-
6 tion of the license, prohibits the licensed entity
7 from conducting banking activities with the citi-
8 zens of, or with the local currency of, the coun-
9 try which issued the license.”.

10 “(B) PRIVATE BANKING ACCOUNT.—The
11 term ‘private banking account’ means an ac-
12 count (or any combination of accounts) that—

13 “(i) requires a minimum aggregate
14 deposits of funds or other assets of not less
15 than \$1,000,000;

16 “(ii) is established on behalf of 1 or
17 more individuals who have a direct or ben-
18 efiticial ownership interest in the account;
19 and

20 “(iii) is assigned to, or is administered
21 or managed by, in whole or in part, an of-
22 ficer, employee, or agent of a financial in-
23 stitution acting as a liaison between the fi-
24 nancial institution and the direct or bene-
25 ficial owner of the account.”.

1 (b) REGULATORY AUTHORITY AND EFFECTIVE
2 DATE.—

3 (1) REGULATORY AUTHORITY.—Not later than
4 180 days after the date of enactment of this Act, the
5 Secretary, in consultation with the appropriate Fed-
6 eral functional regulators (as defined in section 509
7 of the Gramm-Leach-Bliley Act) of the affected fi-
8 nancial institutions, shall further delineate, by regu-
9 lation, the due diligence policies, procedures, and
10 controls required under section 5318(i)(1) of title
11 31, United States Code, as added by this section.

12 (2) EFFECTIVE DATE.—Section 5318(i) of title
13 31, United States Code, as added by this section,
14 shall take effect 270 days after the date of enact-
15 ment of this Act, whether or not final regulations
16 are issued under paragraph (1), and the failure to
17 issue such regulations shall in no way affect the en-
18 forceability of this section or the amendments made
19 by this section. Section 5318(i) of title 31, United
20 States Code, as added by this section, shall apply
21 with respect to accounts covered by that section
22 5318(i), that are opened before, on, or after the date
23 of enactment of this Act.

1 **SEC. 313. PROHIBITION ON UNITED STATES COR-**
2 **RESPONDENT ACCOUNTS WITH FOREIGN**
3 **SHELL BANKS.**

4 (a) IN GENERAL.—Section 5318 of title 31, United
5 States Code, as amended by this title, is amended by add-
6 ing at the end the following:

7 “(j) PROHIBITION ON UNITED STATES COR-
8 RESPONDENT ACCOUNTS WITH FOREIGN SHELL
9 BANKS.—

10 “(1) IN GENERAL.—A financial institution de-
11 scribed in subparagraphs (A) through (G) of section
12 5312(a)(2) (in this subsection referred to as a ‘cov-
13 ered financial institution’) shall not establish, main-
14 tain, administer, or manage a correspondent account
15 in the United States for, or on behalf of, a foreign
16 bank that does not have a physical presence in any
17 country.

18 “(2) PREVENTION OF INDIRECT SERVICE TO
19 FOREIGN SHELL BANKS.—A covered financial insti-
20 tution shall take reasonable steps to ensure that any
21 correspondent account established, maintained, ad-
22 ministered, or managed by that covered financial in-
23 stitution in the United States for a foreign bank is
24 not being used by that foreign bank to indirectly
25 provide banking services to another foreign bank
26 that does not have a physical presence in any coun-

1 try. The Secretary of the Treasury shall, by regula-
2 tion, delineate the reasonable steps necessary to
3 comply with this paragraph.

4 “(3) EXCEPTION.—Paragraphs (1) and (2) do
5 not prohibit a covered financial institution from pro-
6 viding a correspondent account to a foreign bank, if
7 the foreign bank—

8 “(A) is an affiliate of a depository institu-
9 tion, credit union, or foreign bank that main-
10 tains a physical presence in the United States
11 or a foreign country, as applicable; and

12 “(B) is subject to supervision by a banking
13 authority in the country regulating the affili-
14 ated depository institution, credit union, or for-
15 eign bank described in subparagraph (A), as
16 applicable.

17 “(4) DEFINITIONS.—For purposes of this
18 subsection—

19 “(A) the term ‘affiliate’ means a foreign
20 bank that is controlled by or is under common
21 control with a depository institution, credit
22 union, or foreign bank; and

23 “(B) the term ‘physical presence’ means a
24 place of business 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 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall take effect at the end of the 60-day
15 period beginning on the date of enactment of this Act.

16 **SEC. 314. COOPERATIVE EFFORTS TO DETER MONEY LAUN-**
17 **DERING.**

18 (a) COOPERATION AMONG FINANCIAL INSTITUTIONS,
19 REGULATORY AUTHORITIES, AND LAW ENFORCEMENT
20 AUTHORITIES.—

21 (1) REGULATIONS.—The Secretary shall, within
22 120 days after the date of enactment of this Act,
23 adopt regulations to encourage further cooperation
24 among financial institutions, their regulatory au-
25 thorities, and law enforcement authorities, with the

1 specific purpose of encouraging regulatory authori-
2 ties and law enforcement authorities to share with
3 financial institutions information regarding individ-
4 uals, entities, and organizations engaged in or rea-
5 sonably suspected based on credible evidence of en-
6 gaging in terrorist acts or money laundering activi-
7 ties.

8 (2) COOPERATION AND INFORMATION SHARING
9 PROCEDURES.—The regulations adopted under para-
10 graph (1) may include or create procedures for co-
11 operation and information sharing focusing on—

12 (A) matters specifically related to the fi-
13 nances of terrorist groups, the means by which
14 terrorist groups transfer funds around the
15 world and within the United States, including
16 through the use of charitable organizations,
17 nonprofit organizations, and nongovernmental
18 organizations, and the extent to which financial
19 institutions in the United States are unwittingly
20 involved in such finances and the extent to
21 which such institutions are at risk as a result;

22 (B) the relationship, particularly the finan-
23 cial relationship, between international narcotics
24 traffickers and foreign terrorist organizations,
25 the extent to which their memberships overlap

1 and engage in joint activities, and the extent to
2 which they cooperate with each other in raising
3 and transferring funds for their respective pur-
4 poses; and

5 (C) means of facilitating the identification
6 of accounts and transactions involving terrorist
7 groups and facilitating the exchange of informa-
8 tion concerning such accounts and transactions
9 between financial institutions and law enforce-
10 ment organizations.

11 (3) CONTENTS.—The regulations adopted pur-
12 suant to paragraph (1) may—

13 (A) require that each financial institution
14 designate 1 or more persons to receive informa-
15 tion concerning, and to monitor accounts of in-
16 dividuals, entities, and organizations identified,
17 pursuant to paragraph (1); and

18 (B) further establish procedures for the
19 protection of the shared information, consistent
20 with the capacity, size, and nature of the insti-
21 tution to which the particular procedures apply.

22 (4) RULE OF CONSTRUCTION.—The receipt of
23 information by a financial institution pursuant to
24 this section shall not relieve or otherwise modify the

1 obligations of the financial institution with respect
2 to any other person or account.

3 (5) USE OF INFORMATION.—Information re-
4 ceived by a financial institution pursuant to this sec-
5 tion shall not be used for any purpose other than
6 identifying and reporting on activities that may in-
7 volve terrorist acts or money laundering activities.

8 (b) COOPERATION AMONG FINANCIAL INSTITU-
9 TIONS.—Upon notice provided to the Secretary, 2 or more
10 financial institutions and any association of financial insti-
11 tutions may share information with one another regarding
12 individuals, entities, organizations, and countries sus-
13 pected of possible terrorist or money laundering activities.
14 A financial institution or association that transmits, re-
15 ceives, or shares such information for the purposes of
16 identifying and reporting activities that may involve ter-
17 rorist acts or money laundering activities shall not be lia-
18 ble to any person under any law or regulation of the
19 United States, any constitution, law, or regulation of any
20 State or political subdivision thereof, or under any con-
21 tract or other legally enforceable agreement (including any
22 arbitration agreement), for such disclosure or for any fail-
23 ure to provide notice of such disclosure to the person who
24 is the subject of such disclosure, or any other person iden-
25 tified in the disclosure, except where such transmission,

1 receipt, or sharing violates this section or regulations pro-
2 mulgated pursuant to this section.

3 (c) RULE OF CONSTRUCTION.—Compliance with the
4 provisions of this title requiring or allowing financial insti-
5 tutions and any association of financial institutions to dis-
6 close or share information regarding individuals, entities,
7 and organizations engaged in or suspected of engaging in
8 terrorist acts or money laundering activities shall not con-
9 stitute a violation of the provisions of title V of the
10 Gramm-Leach-Bliley Act (Public Law 106–102).

11 (d) REPORTS TO THE FINANCIAL SERVICES INDUS-
12 TRY ON SUSPICIOUS FINANCIAL ACTIVITIES.—At least
13 semiannually, the Secretary shall—

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

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

1 **SEC. 315. INCLUSION OF FOREIGN CORRUPTION OFFENSES**
2 **AS MONEY LAUNDERING CRIMES.**

3 Section 1956(c)(7) of title 18, United States Code,
4 is amended—

5 (1) in subparagraph (B)—

6 (A) in clause (ii), by striking “or destruc-
7 tion of property by means of explosive or fire”
8 and inserting “destruction of property by means
9 of explosive or fire, or a crime of violence (as
10 defined in section 16)”;

11 (B) in clause (iii), by striking “1978” and
12 inserting “1978”;

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

14 “(iv) bribery of a public official, or
15 the misappropriation, theft, or embezzle-
16 ment of public funds by or for the benefit
17 of a public official;

18 “(v) smuggling or export control viola-
19 tions involving—

20 “(I) an item controlled on the
21 United States Munitions List estab-
22 lished under section 38 of the Arms
23 Export Control Act (22 U.S.C. 2778);
24 or

25 “(II) an item controlled under
26 regulations under the Export Admin-

1 istration Regulations (15 C.F.R.
2 Parts 730–774); or

3 “(vi) an offense with respect to which
4 the United States would be obligated by a
5 multilateral treaty, either to extradite the
6 alleged offender or to submit the case for
7 prosecution, if the offender were found
8 within the territory of the United States;”;
9 and

10 (2) in subparagraph (D)—

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

13 (B) by inserting “section 922(1) (relating
14 to the unlawful importation of firearms), sec-
15 tion 924(n) (relating to firearms trafficking),”
16 before “section 956”;

17 (C) by inserting “section 1030 (relating to
18 computer fraud and abuse),” before “1032”;
19 and

20 (D) by inserting “any felony violation of
21 the Foreign Agents Registration Act of 1938,”
22 before “or any felony violation of the Foreign
23 Corrupt Practices Act”.

1 **SEC. 316. ANTI-TERRORIST FORFEITURE PROTECTION.**

2 (a) **RIGHT TO CONTEST.**—An owner of property that
3 is confiscated under any provision of law relating to the
4 confiscation of assets of suspected international terrorists,
5 may contest that confiscation by filing a claim in the man-
6 ner set forth in the Federal Rules of Civil Procedure (Sup-
7 plemental Rules for Certain Admiralty and Maritime
8 Claims), and asserting as an affirmative defense that—

9 (1) the property is not subject to confiscation
10 under such provision of law; or

11 (2) the innocent owner provisions of section
12 983(d) of title 18, United States Code, apply to the
13 case.

14 (b) **EVIDENCE.**—In considering a claim filed under
15 this section, a court may admit evidence that is otherwise
16 inadmissible under the Federal Rules of Evidence, if the
17 court determines that the evidence is reliable, and that
18 compliance with the Federal Rules of Evidence may jeop-
19 ardize the national security interests of the United States.

20 (c) **CLARIFICATIONS.**—

21 (1) **PROTECTION OF RIGHTS.**—The exclusion of
22 certain provisions of Federal law from the definition
23 of the term “civil forfeiture statute” in section
24 983(i) of title 18, United States Code, shall not be
25 construed to deny an owner of property the right to

1 contest the confiscation of assets of suspected inter-
 2 national terrorists under—

- 3 (A) subsection (a) of this section;
 4 (B) the Constitution; or
 5 (C) subchapter II of chapter 5 of title 5,
 6 United States Code (commonly known as the
 7 “Administrative Procedure Act”).

8 (2) SAVINGS CLAUSE.—Nothing in this section
 9 shall limit or otherwise affect any other remedies
 10 that may be available to an owner of property under
 11 section 983 of title 18, United States Code, or any
 12 other provision of law.

13 (d) TECHNICAL CORRECTION.—Section 983(i)(2)(D)
 14 of title 18, United States Code, is amended by inserting
 15 “or the International Emergency Economic Powers Act
 16 (IEEPA) (50 U.S.C. 1701 et seq.)” before the semicolon.

17 **SEC. 317. LONG-ARM JURISDICTION OVER FOREIGN MONEY**
 18 **LAUNDERERS.**

19 Section 1956(b) of title 18, United States Code, is
 20 amended—

21 (1) by redesignating paragraphs (1) and (2) as
 22 subparagraphs (A) and (B), respectively, and mov-
 23 ing the margins 2 ems to the right;

24 (2) by inserting after “(b)” the following:

25 “PENALTIES.—

1 “(1) IN GENERAL.—”;

2 (3) by inserting “, or section 1957” after “or
3 (a)(3)”; and

4 (4) by adding at the end the following:

5 “(2) JURISDICTION OVER FOREIGN PERSONS.—

6 For purposes of adjudicating an action filed or en-
7 forcing a penalty ordered under this section, the dis-
8 trict courts shall have jurisdiction over any foreign
9 person, including any financial institution authorized
10 under the laws of a foreign country, against whom
11 the action is brought, if service of process upon the
12 foreign person is made under the Federal Rules of
13 Civil Procedure or the laws of the country in which
14 the foreign person is found, and—

15 “(A) the foreign person commits an offense
16 under subsection (a) involving a financial trans-
17 action that occurs in whole or in part in the
18 United States;

19 “(B) the foreign person converts, to his or
20 her own use, property in which the United
21 States has an ownership interest by virtue of
22 the entry of an order of forfeiture by a court
23 of the United States; or

1 “(C) the foreign person is a financial insti-
2 tution that maintains a bank account at a fi-
3 nancial institution in the United States.

4 “(3) COURT AUTHORITY OVER ASSETS.—A
5 court described in paragraph (2) may issue a pre-
6 trial restraining order or take any other action nec-
7 essary to ensure that any bank account or other
8 property held by the defendant in the United States
9 is available to satisfy a judgment under this section.

10 “(4) FEDERAL RECEIVER.—

11 “(A) IN GENERAL.—A court described in
12 paragraph (2) may appoint a Federal Receiver,
13 in accordance with subparagraph (B) of this
14 paragraph, to collect, marshal, and take cus-
15 tody, control, and possession of all assets of the
16 defendant, wherever located, to satisfy a civil
17 judgment under this subsection, a forfeiture
18 judgment under section 981 or 982, or a crimi-
19 nal sentence under section 1957 or subsection
20 (a) of this section, including an order of restitu-
21 tion to any victim of a specified unlawful activ-
22 ity.

23 “(B) APPOINTMENT AND AUTHORITY.—A
24 Federal Receiver described in subparagraph
25 (A)—

1 “(i) may be appointed upon applica-
2 tion of a Federal prosecutor or a Federal
3 or State regulator, by the court having ju-
4 risdiction over the defendant in the case;

5 “(ii) shall be an officer of the court,
6 and the powers of the Federal Receiver
7 shall include the powers set out in section
8 754 of title 28, United States Code; and

9 “(iii) shall have standing equivalent to
10 that of a Federal prosecutor for the pur-
11 pose of submitting requests to obtain infor-
12 mation regarding the assets of the
13 defendant—

14 “(I) from the Financial Crimes
15 Enforcement Network of the Depart-
16 ment of the Treasury; or

17 “(II) from a foreign country pur-
18 suant to a mutual legal assistance
19 treaty, multilateral agreement, or
20 other arrangement for international
21 law enforcement assistance, provided
22 that such requests are in accordance
23 with the policies and procedures of the
24 Attorney General.”.

1 **SEC. 318. LAUNDERING MONEY THROUGH A FOREIGN**
 2 **BANK.**

3 Section 1956(c) of title 18, United States Code, is
 4 amended by striking paragraph (6) and inserting the fol-
 5 lowing:

6 “(6) the term ‘financial institution’ includes—

7 “(A) any financial institution, as defined in
 8 section 5312(a)(2) of title 31, United States
 9 Code, or the regulations promulgated there-
 10 under; and

11 “(B) any foreign bank, as defined in sec-
 12 tion 1 of the International Banking Act of 1978
 13 (12 U.S.C. 3101).”.

14 **SEC. 319. FORFEITURE OF FUNDS IN UNITED STATES**
 15 **INTERBANK ACCOUNTS.**

16 (a) **FORFEITURE FROM UNITED STATES INTERBANK**
 17 **ACCOUNT.**—Section 981 of title 18, United States Code,
 18 is amended by adding at the end the following:

19 “(k) **INTERBANK ACCOUNTS.**—

20 “(1) **IN GENERAL.**—

21 “(A) **IN GENERAL.**—For the purpose of a
 22 forfeiture under this section or under the Con-
 23 trolled Substances Act (21 U.S.C. 801 et seq.),
 24 if funds are deposited into an account at a for-
 25 eign bank, and that foreign bank has an inter-
 26 bank account in the United States with a cov-

1 ered financial institution (as defined in section
2 5318(j)(1) of title 31), the funds shall be
3 deemed to have been deposited into the inter-
4 bank account in the United States, and any re-
5 straining order, seizure warrant, or arrest war-
6 rant in rem regarding the funds may be served
7 on the covered financial institution, and funds
8 in the interbank account, up to the value of the
9 funds deposited into the account at the foreign
10 bank, may be restrained, seized, or arrested.

11 “(B) AUTHORITY TO SUSPEND.—The At-
12 torney General, in consultation with the Sec-
13 retary of the Treasury, may suspend or termi-
14 nate a forfeiture under this section if the Attor-
15 ney General determines that a conflict of law
16 exists between the laws of the jurisdiction in
17 which the foreign bank is located and the laws
18 of the United States with respect to liabilities
19 arising from the restraint, seizure, or arrest of
20 such funds, and that such suspension or termi-
21 nation would be in the interest of justice and
22 would not harm the national interests of the
23 United States.

24 “(2) NO REQUIREMENT FOR GOVERNMENT TO
25 TRACE FUNDS.—If a forfeiture action is brought

1 against funds that are restrained, seized, or arrested
2 under paragraph (1), it shall not be necessary for
3 the Government to establish that the funds are di-
4 rectly traceable to the funds that were deposited into
5 the foreign bank, nor shall it be necessary for the
6 Government to rely on the application of section
7 984.

8 “(3) CLAIMS BROUGHT BY OWNER OF THE
9 FUNDS.—If a forfeiture action is instituted against
10 funds restrained, seized, or arrested under para-
11 graph (1), the owner of the funds deposited into the
12 account at the foreign bank may contest the for-
13 feiture by filing a claim under section 983.

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

16 “(A) INTERBANK ACCOUNT.—The term
17 ‘interbank account’ has the same meaning as in
18 section 984(c)(2)(B).

19 “(B) OWNER.—

20 “(i) IN GENERAL.—Except as pro-
21 vided in clause (ii), the term ‘owner’—

22 “(I) means the person who was
23 the owner, as that term is defined in
24 section 983(d)(6), of the funds that
25 were deposited into the foreign bank

1 at the time such funds were deposited;
2 and

3 “(II) does not include either the
4 foreign bank or any financial institu-
5 tion acting as an intermediary in the
6 transfer of the funds into the inter-
7 bank account.

8 “(ii) EXCEPTION.—The foreign bank
9 may be considered the ‘owner’ of the funds
10 (and no other person shall qualify as the
11 owner of such funds) only if—

12 “(I) the basis for the forfeiture
13 action is wrongdoing committed by
14 the foreign bank; or

15 “(II) the foreign bank estab-
16 lishes, by a preponderance of the evi-
17 dence, that prior to the restraint, sei-
18 zure, or arrest of the funds, the for-
19 eign bank had discharged all or part
20 of its obligation to the prior owner of
21 the funds, in which case the foreign
22 bank shall be deemed the owner of the
23 funds to the extent of such discharged
24 obligation.”.

1 (b) BANK RECORDS.—Section 5318 of title 31,
2 United States Code, as amended by this title, is amended
3 by adding at the end the following:

4 “(k) BANK RECORDS RELATED TO ANTI-MONEY
5 LAUNDERING PROGRAMS.—

6 “(1) DEFINITIONS.—For purposes of this sub-
7 section, the following definitions shall apply:

8 “(A) APPROPRIATE FEDERAL BANKING
9 AGENCY.—The term ‘appropriate Federal bank-
10 ing agency’ has the same meaning as in section
11 3 of the Federal Deposit Insurance Act (12
12 U.S.C. 1813).

13 “(B) INCORPORATED TERM.—The term
14 ‘correspondent account’ has the same meaning
15 as in section 5318A(f)(1)(B).

16 “(2) 120-HOUR RULE.—Not later than 120
17 hours after receiving a request by an appropriate
18 Federal banking agency for information related to
19 anti-money laundering compliance by a covered fi-
20 nancial institution or a customer of such institution,
21 a covered financial institution shall provide to the
22 appropriate Federal banking agency, or make avail-
23 able at a location specified by the representative of
24 the appropriate Federal banking agency, information
25 and account documentation for any account opened,

1 maintained, administered or managed in the United
2 States by the covered financial institution.

3 “(3) FOREIGN BANK RECORDS.—

4 “(A) SUMMONS OR SUBPOENA OF
5 RECORDS.—

6 “(i) IN GENERAL.—The Secretary of
7 the Treasury or the Attorney General may
8 issue a summons or subpoena to any for-
9 eign bank that maintains a correspondent
10 account in the United States and request
11 records related to such correspondent ac-
12 count, including records maintained out-
13 side of the United States relating to the
14 deposit of funds into the foreign bank.

15 “(ii) SERVICE OF SUMMONS OR SUB-
16 POENA.—A summons or subpoena referred
17 to in clause (i) may be served on the for-
18 eign bank in the United States if the for-
19 eign bank has a representative in the
20 United States, or in a foreign country pur-
21 suant to any mutual legal assistance trea-
22 ty, multilateral agreement, or other request
23 for international law enforcement assist-
24 ance.

25 “(B) ACCEPTANCE OF SERVICE.—

1 “(i) MAINTAINING RECORDS IN THE
2 UNITED STATES.—Any covered financial
3 institution which maintains a cor-
4 respondent account in the United States
5 for a foreign bank shall maintain records
6 in the United States identifying the owners
7 of such foreign bank and the name and ad-
8 dress of a person who resides in the United
9 States and is authorized to accept service
10 of legal process for records regarding the
11 correspondent account.

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

20 “(C) TERMINATION OF CORRESPONDENT
21 RELATIONSHIP.—

22 “(i) TERMINATION UPON RECEIPT OF
23 NOTICE.—A covered financial institution
24 shall terminate any correspondent relation-
25 ship with a foreign bank not later than 10

1 business days after receipt of written no-
2 tice from the Secretary or the Attorney
3 General (in each case, after consultation
4 with the other) that the foreign bank has
5 failed—

6 “(I) to comply with a summons
7 or subpoena issued under subpara-
8 graph (A); or

9 “(II) to initiate proceedings in a
10 United States court contesting such
11 summons or subpoena.

12 “(ii) LIMITATION ON LIABILITY.—A
13 covered financial institution shall not be
14 liable to any person in any court or arbi-
15 tration proceeding for terminating a cor-
16 respondent relationship in accordance with
17 this subsection.

18 “(iii) FAILURE TO TERMINATE RELA-
19 TIONSHIP.—Failure to terminate a cor-
20 respondent relationship in accordance with
21 this subsection shall render the covered fi-
22 nancial institution liable for a civil penalty
23 of up to \$10,000 per day until the cor-
24 respondent relationship is so terminated.”.

1 (c) GRACE PERIOD.—Financial institutions shall
2 have 60 days from the date of enactment of this Act to
3 comply with the provisions of section 5318(k) of title 31,
4 United States Code, as added by this section.

5 (d) AUTHORITY TO ORDER CONVICTED CRIMINAL
6 TO RETURN PROPERTY LOCATED ABROAD.—

7 (1) FORFEITURE OF SUBSTITUTE PROPERTY.—
8 Section 413(p) of the Controlled Substances Act (21
9 U.S.C. 853) is amended to read as follows:

10 “(p) FORFEITURE OF SUBSTITUTE PROPERTY.—

11 “(1) IN GENERAL.—Paragraph (2) of this sub-
12 section shall apply, if any property described in sub-
13 section (a), as a result of any act or omission of the
14 defendant—

15 “(A) cannot be located upon the exercise of
16 due diligence;

17 “(B) has been transferred or sold to, or
18 deposited with, a third party;

19 “(C) has been placed beyond the jurisdic-
20 tion of the court;

21 “(D) has been substantially diminished in
22 value; or

23 “(E) has been commingled with other
24 property which cannot be divided without dif-
25 ficulty.

1 “(2) SUBSTITUTE PROPERTY.—In any case de-
2 scribed in any of subparagraphs (A) through (E) of
3 paragraph (1), the court shall order the forfeiture of
4 any other property of the defendant, up to the value
5 of any property described in subparagraphs (A)
6 through (E) of paragraph (1), as applicable.

7 “(3) RETURN OF PROPERTY TO JURISDIC-
8 TION.—In the case of property described in para-
9 graph (1)(C), the court may, in addition to any
10 other action authorized by this subsection, order the
11 defendant to return the property to the jurisdiction
12 of the court so that the property may be seized and
13 forfeited.”.

14 (2) PROTECTIVE ORDERS.—Section 413(e) of
15 the Controlled Substances Act (21 U.S.C. 853(e)) is
16 amended by adding at the end the following:

17 “(4) ORDER TO REPATRIATE AND DEPOSIT.—

18 “(A) IN GENERAL.—Pursuant to its au-
19 thority to enter a pretrial restraining order
20 under this section, the court may order a de-
21 fendant to repatriate any property that may be
22 seized and forfeited, and to deposit that prop-
23 erty pending trial in the registry of the court,
24 or with the United States Marshals Service or

1 the Secretary of the Treasury, in an interest-
2 bearing account, if appropriate.

3 “(B) FAILURE TO COMPLY.—Failure to
4 comply with an order under this subsection, or
5 an order to repatriate property under sub-
6 section (p), shall be punishable as a civil or
7 criminal contempt of court, and may also result
8 in an enhancement of the sentence of the de-
9 fendant under the obstruction of justice provi-
10 sion of the Federal Sentencing Guidelines.”.

11 **SEC. 320. PROCEEDS OF FOREIGN CRIMES.**

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

14 “(B) Any property, real or personal, within the
15 jurisdiction of the United States, constituting, de-
16 rived from, or traceable to, any proceeds obtained di-
17 rectly or indirectly from an offense against a foreign
18 nation, or any property used to facilitate such an of-
19 fense, if the offense—

20 “(i) involves the manufacture, importation,
21 sale, or distribution of a controlled substance
22 (as that term is defined for purposes of the
23 Controlled Substances Act), or any other con-
24 duct described in section 1956(c)(7)(B);

1 “(ii) would be punishable within the juris-
2 diction of the foreign nation by death or impris-
3 onment for a term exceeding 1 year; and

4 “(iii) would be punishable under the laws
5 of the United States by imprisonment for a
6 term exceeding 1 year, if the act or activity con-
7 stituting the offense had occurred within the ju-
8 risdiction of the United States.”.

9 **SEC. 321. FINANCIAL INSTITUTIONS SPECIFIED IN SUB-**
10 **CHAPTER II OF CHAPTER 53 OF TITLE 31,**
11 **UNITED STATES CODE.**

12 (a) CREDIT UNIONS.—Subparagraph (E) of section
13 5312(2) of title 31, United States Code, is amended to
14 read as follows:

15 “(E) any credit union;”.

16 (b) FUTURES COMMISSION MERCHANT; COMMODITY
17 TRADING ADVISOR; COMMODITY POOL OPERATOR.—Sec-
18 tion 5312 of title 31, United States Code, is amended by
19 adding at the end the following new subsection:

20 “(c) ADDITIONAL DEFINITIONS.—For purposes of
21 this subchapter, the following definitions shall apply:

22 “(1) CERTAIN INSTITUTIONS INCLUDED IN
23 DEFINITION.—The term ‘financial institution’ (as
24 defined in subsection (a)) includes the following:

1 “(A) Any futures commission merchant,
2 commodity trading advisor, or commodity pool
3 operator registered, or required to register,
4 under the Commodity Exchange Act.”.

5 (c) CFTC INCLUDED.—For purposes of this Act and
6 any amendment made by this Act to any other provision
7 of law, the term “Federal functional regulator” includes
8 the Commodity Futures Trading Commission.

9 **SEC. 322. CORPORATION REPRESENTED BY A FUGITIVE.**

10 Section 2466 of title 18, United States Code, is
11 amended by designating the present matter as subsection
12 (a), and adding at the end the following:

13 “(b) Subsection (a) may be applied to a claim filed
14 by a corporation if any majority shareholder, or individual
15 filing the claim on behalf of the corporation is a person
16 to whom subsection (a) applies.”.

17 **SEC. 323. ENFORCEMENT OF FOREIGN JUDGMENTS.**

18 Section 2467 of title 28, United States Code, is
19 amended—

20 (1) in subsection (d), by adding the following
21 after paragraph (2):

22 “(3) PRESERVATION OF PROPERTY.—

23 “(A) IN GENERAL.—To preserve the avail-
24 ability of property subject to a foreign forfeiture
25 or confiscation judgment, the Government may

1 apply for, and the court may issue, a restrain-
2 ing order pursuant to section 983(j) of title 18,
3 at any time before or after an application is
4 filed pursuant to subsection (c)(1) of this sec-
5 tion.

6 “(B) EVIDENCE.—The court, in issuing a
7 restraining order under subparagraph (A)—

8 “(i) may rely on information set forth
9 in an affidavit describing the nature of the
10 proceeding or investigation underway in
11 the foreign country, and setting forth a
12 reasonable basis to believe that the prop-
13 erty to be restrained will be named in a
14 judgment of forfeiture at the conclusion of
15 such proceeding; or

16 “(ii) may register and enforce a re-
17 straining order that has been issued by a
18 court of competent jurisdiction in the for-
19 eign country and certified by the Attorney
20 General pursuant to subsection (b)(2).

21 “(C) LIMIT ON GROUNDS FOR OBJEC-
22 TION.—No person may object to a restraining
23 order under subparagraph (A) on any ground
24 that is the subject of parallel litigation involving

1 the same property that is pending in a foreign
2 court.”;

3 (2) in subsection (b)(1)(C), by striking “estab-
4 lishing that the defendant received notice of the pro-
5 ceedings in sufficient time to enable the defendant”
6 and inserting “establishing that the foreign nation
7 took steps, in accordance with the principles of due
8 process, to give notice of the proceedings to all per-
9 sons with an interest in the property in sufficient
10 time to enable such persons”;

11 (3) in subsection (d)(1)(D), by striking “the de-
12 fendant in the proceedings in the foreign court did
13 not receive notice” and inserting “the foreign nation
14 did not take steps, in accordance with the principles
15 of due process, to give notice of the proceedings to
16 a person with an interest in the property”; and

17 (4) in subsection (a)(2)(A), by inserting “, any
18 violation of foreign law that would constitute a viola-
19 tion or an offense for which property could be for-
20 feited under Federal law if the offense were com-
21 mitted in the United States” after “United Nations
22 Convention”.

23 **SEC. 324. REPORT AND RECOMMENDATION.**

24 Not later than 30 months after the date of enactment
25 of this Act, the Secretary, in consultation with the Attor-

1 ney General, the Federal banking agencies (as defined at
2 section 3 of the Federal Deposit Insurance Act), the Na-
3 tional Credit Union Administration Board, the Securities
4 and Exchange Commission, and such other agencies as the
5 Secretary may determine, at the discretion of the Sec-
6 retary, shall evaluate the operations of the provisions of
7 this subtitle and make recommendations to Congress as
8 to any legislative action with respect to this subtitle as
9 the Secretary may determine to be necessary or advisable.

10 **SEC. 325. CONCENTRATION ACCOUNTS AT FINANCIAL IN-**
11 **STITUTIONS.**

12 Section 5318(h) of title 31, United States Code, as
13 amended by section 202 of this title, is amended by adding
14 at the end the following:

15 “(3) CONCENTRATION ACCOUNTS.—The Sec-
16 retary may prescribe regulations under this sub-
17 section that govern maintenance of concentration ac-
18 counts by financial institutions, in order to ensure
19 that such accounts are not used to prevent associa-
20 tion of the identity of an individual customer with
21 the movement of funds of which the customer is the
22 direct or beneficial owner, which regulations shall, at
23 a minimum—

24 “(A) prohibit financial institutions from al-
25 lowing clients to direct transactions that move

1 their funds into, out of, or through the con-
2 centration accounts of the financial institution;

3 “(B) prohibit financial institutions and
4 their employees from informing customers of
5 the existence of, or the means of identifying,
6 the concentration accounts of the institution;
7 and

8 “(C) require each financial institution to
9 establish written procedures governing the doc-
10 umentation of all transactions involving a con-
11 centration account, which procedures shall en-
12 sure that, any time a transaction involving a
13 concentration account commingles funds belong-
14 ing to 1 or more customers, the identity of, and
15 specific amount belonging to, each customer is
16 documented.”.

17 **SEC. 326. VERIFICATION OF IDENTIFICATION.**

18 (a) IN GENERAL.—Section 5318 of title 31, United
19 States Code, as amended by this title, is amended by add-
20 ing at the end the following:

21 “(l) IDENTIFICATION AND VERIFICATION OF
22 ACCOUNTHOLDERS.—

23 “(1) IN GENERAL.—Subject to the require-
24 ments of this subsection, the Secretary of the Treas-
25 ury shall prescribe regulations setting forth the min-

1 imum standards for financial institutions and their
2 customers regarding the identity of the customer
3 that shall apply in connection with the opening of an
4 account at a financial institution.

5 “(2) MINIMUM REQUIREMENTS.—The regula-
6 tions shall, at a minimum, require financial institu-
7 tions to implement, and customers (after being given
8 adequate notice) to comply with, reasonable proce-
9 dures for—

10 “(A) verifying the identity of any person
11 seeking to open an account to the extent rea-
12 sonable and practicable;

13 “(B) maintaining records of the informa-
14 tion used to verify a person’s identity, including
15 name, address, and other identifying informa-
16 tion; and

17 “(C) consulting lists of known or suspected
18 terrorists or terrorist organizations provided to
19 the financial institution by any government
20 agency to determine whether a person seeking
21 to open an account appears on any such list.

22 “(3) FACTORS TO BE CONSIDERED.—In pre-
23 scribing regulations under this subsection, the Sec-
24 retary shall take into consideration the various types
25 of accounts maintained by various types of financial

1 institutions, the various methods of opening ac-
2 counts, and the various types of identifying informa-
3 tion available.

4 “(4) CERTAIN FINANCIAL INSTITUTIONS.—In
5 the case of any financial institution the business of
6 which is engaging in financial activities described in
7 section 4(k) of the Bank Holding Company Act of
8 1956 (including financial activities subject to the ju-
9 risdiction of the Commodity Futures Trading Com-
10 mission), the regulations prescribed by the Secretary
11 under paragraph (1) shall be prescribed jointly with
12 each Federal functional regulator (as defined in sec-
13 tion 509 of the Gramm-Leach-Bliley Act, including
14 the Commodity Futures Trading Commission) ap-
15 appropriate for such financial institution.

16 “(5) EXEMPTIONS.—The Secretary (and, in the
17 case of any financial institution described in para-
18 graph (4), any Federal agency described in such
19 paragraph) may, by regulation or order, exempt any
20 financial institution or type of account from the re-
21 quirements of any regulation prescribed under this
22 subsection in accordance with such standards and
23 procedures as the Secretary may prescribe.

24 “(6) EFFECTIVE DATE.—Final regulations pre-
25 scribed under this subsection shall take effect before

1 the end of the 1-year period beginning on the date
2 of enactment of the International Money Laundering
3 Abatement and Financial Anti-Terrorism Act of
4 2001.”.

5 (b) STUDY AND REPORT REQUIRED.—Within 6
6 months after the date of enactment of this Act, the Sec-
7 retary, in consultation with the Federal functional regu-
8 lators (as defined in section 509 of the Gramm-Leach-Bli-
9 ley Act) and other appropriate Government agencies, shall
10 submit a report to the Congress containing recommenda-
11 tions for—

12 (1) determining the most timely and effective
13 way to require foreign nationals to provide domestic
14 financial institutions and agencies with appropriate
15 and accurate information, comparable to that which
16 is required of United States nationals, concerning
17 the identity, address, and other related information
18 about such foreign nationals necessary to enable
19 such institutions and agencies to comply with the re-
20 quirements of this section;

21 (2) requiring foreign nationals to apply for and
22 obtain, before opening an account with a domestic
23 financial institution, an identification number which
24 would function similarly to a Social Security number
25 or tax identification number; and

1 (3) establishing a system for domestic financial
2 institutions and agencies to review information
3 maintained by relevant Government agencies for
4 purposes of verifying the identities of foreign nation-
5 als seeking to open accounts at those institutions
6 and agencies.

7 **SEC. 327. CONSIDERATION OF ANTI-MONEY LAUNDERING**
8 **RECORD.**

9 (a) BANK HOLDING COMPANY ACT OF 1956.—

10 (1) IN GENERAL.—Section 3(c) of the Bank
11 Holding Company Act of 1956 (12 U.S.C. 1842(e))
12 is amended by adding at the end the following new
13 paragraph:

14 “(6) MONEY LAUNDERING.—In every case, the
15 Board shall take into consideration the effectiveness
16 of the company or companies in combatting money
17 laundering activities, including in overseas
18 branches.”.

19 (2) SCOPE OF APPLICATION.—The amendment made
20 by paragraph (1) shall apply with respect to any applica-
21 tion submitted to the Board of Governors of the Federal
22 Reserve System under section 3 of the Bank Holding
23 Company Act of 1956 after December 31, 2001, which
24 has not been approved by the Board before the date of
25 enactment of this Act.

1 (b) MERGERS SUBJECT TO REVIEW UNDER FED-
2 ERAL DEPOSIT INSURANCE ACT.—

3 (1) IN GENERAL.—Section 18(c) of the Federal
4 Deposit Insurance Act (12 U.S.C. 1828(c)) is
5 amended—

6 (A) by redesignating paragraph (11) as
7 paragraph (12); and

8 (B) by inserting after paragraph (10), the
9 following new paragraph:

10 “(11) MONEY LAUNDERING.—In every case, the
11 responsible agency, shall take into consideration the
12 effectiveness of any insured depository institution in-
13 volved in the proposed merger transaction in com-
14 battling money laundering activities, including in
15 overseas branches.”.

16 (2) SCOPE OF APPLICATION.—The amendment
17 made by paragraph (1) shall apply with respect to
18 any application submitted to the responsible agency
19 under section 18(c) of the Federal Deposit Insur-
20 ance Act after December 31, 2001, which has not
21 been approved by all appropriate responsible agen-
22 cies before the date of enactment of this Act.

23 **SEC. 328. INTERNATIONAL COOPERATION ON IDENTIFICA-**
24 **TION OF ORIGINATORS OF WIRE TRANSFERS.**

25 The Secretary shall—

1 (1) in consultation with the Attorney General
2 and the Secretary of State, take all reasonable steps
3 to encourage foreign governments to require the in-
4 clusion of the name of the originator in wire transfer
5 instructions sent to the United States and other
6 countries, with the information to remain with the
7 transfer from its origination until the point of dis-
8 bursement; and

9 (2) report annually to the Committee on Finan-
10 cial Services of the House of Representatives and
11 the Committee on Banking, Housing, and Urban Af-
12 fairs of the Senate on—

13 (A) progress toward the goal enumerated
14 in paragraph (1), as well as impediments to im-
15 plementation and an estimated compliance rate;
16 and

17 (B) impediments to instituting a regime in
18 which all appropriate identification, as defined
19 by the Secretary, about wire transfer recipients
20 shall be included with wire transfers from their
21 point of origination until disbursement.

22 **SEC. 329. CRIMINAL PENALTIES.**

23 Any person who is an official or employee of any de-
24 partment, agency, bureau, office, commission, or other en-
25 tity of the Federal Government, and any other person who

1 is acting for or on behalf of any such entity, who, directly
2 or indirectly, in connection with the administration of this
3 title, corruptly demands, seeks, receives, accepts, or agrees
4 to receive or accept anything of value personally or for
5 any other person or entity in return for—

6 (1) being influenced in the performance of any
7 official act;

8 (2) being influenced to commit or aid in the
9 committing, or to collude in, or allow, any fraud, or
10 make opportunity for the commission of any fraud,
11 on the United States; or

12 (3) being induced to do or omit to do any act
13 in violation of the official duty of such official or
14 person,

15 shall be fined in an amount not more than 3 times the
16 monetary equivalent of the thing of value, or imprisoned
17 for not more than 15 years, or both. A violation of this
18 section shall be subject to chapter 227 of title 18, United
19 States Code, and the provisions of the United States Sen-
20 tencing Guidelines.

1 **SEC. 330. INTERNATIONAL COOPERATION IN INVESTIGA-**
2 **TIONS OF MONEY LAUNDERING, FINANCIAL**
3 **CRIMES, AND THE FINANCES OF TERRORIST**
4 **GROUPS.**

5 (a) NEGOTIATIONS.—It is the sense of the Congress
6 that the President should direct the Secretary of State,
7 the Attorney General, or the Secretary of the Treasury,
8 as appropriate, and in consultation with the Board of Gov-
9 ernors of the Federal Reserve System, to seek to enter
10 into negotiations with the appropriate financial super-
11 visory agencies and other officials of any foreign country
12 the financial institutions of which do business with United
13 States financial institutions or which may be utilized by
14 any foreign terrorist organization (as designated under
15 section 219 of the Immigration and Nationality Act), any
16 person who is a member or representative of any such or-
17 ganization, or any person engaged in money laundering
18 or financial or other crimes.

19 (b) PURPOSES OF NEGOTIATIONS.—It is the sense of
20 the Congress that, in carrying out any negotiations de-
21 scribed in paragraph (1), the President should direct the
22 Secretary of State, the Attorney General, or the Secretary
23 of the Treasury, as appropriate, to seek to enter into and
24 further cooperative efforts, voluntary information ex-
25 changes, the use of letters rogatory, mutual legal assist-
26 ance treaties, and international agreements to—

1 (1) ensure that foreign banks and other finan-
2 cial institutions maintain adequate records of trans-
3 action and account information relating to any for-
4 eign terrorist organization (as designated under sec-
5 tion 219 of the Immigration and Nationality Act),
6 any person who is a member or representative of any
7 such organization, or any person engaged in money
8 laundering or financial or other crimes; and

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

13 **Subtitle B—Bank Secrecy Act**
14 **Amendments and Related Im-**
15 **provements**

16 **SEC. 351. AMENDMENTS RELATING TO REPORTING OF SUS-**
17 **PICIOUS ACTIVITIES.**

18 (a) AMENDMENT RELATING TO CIVIL LIABILITY IM-
19 MUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title
20 31, United States Code, is amended to read as follows:

21 “(3) LIABILITY FOR DISCLOSURES.—

22 “(A) IN GENERAL.—Any financial institu-
23 tion that makes a voluntary disclosure of any
24 possible violation of law or regulation to a gov-
25 ernment agency or makes a disclosure pursuant

1 to this subsection or any other authority, and
2 any director, officer, employee, or agent of such
3 institution who makes, or requires another to
4 make any such disclosure, shall not be liable to
5 any person under any law or regulation of the
6 United States, any constitution, law, or regula-
7 tion of any State or political subdivision of any
8 State, or under any contract or other legally en-
9 forceable agreement (including any arbitration
10 agreement), for such disclosure or for any fail-
11 ure to provide notice of such disclosure to the
12 person who is the subject of such disclosure or
13 any other person identified in the disclosure.

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

16 “(i) any inference that the term ‘per-
17 son’, as used in such subparagraph, may
18 be construed more broadly than its ordi-
19 nary usage so as to include any govern-
20 ment or agency of government; or

21 “(ii) any immunity against, or other-
22 wise affecting, any civil or criminal action
23 brought by any government or agency of
24 government to enforce any constitution,

1 law, or regulation of such government or
2 agency.”.

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

6 “(2) NOTIFICATION PROHIBITED.—

7 “(A) IN GENERAL.—If a financial institu-
8 tion or any director, officer, employee, or agent
9 of any financial institution, voluntarily or pur-
10 suant to this section or any other authority, re-
11 ports a suspicious transaction to a government
12 agency—

13 “(i) the financial institution, director,
14 officer, employee, or agent may not notify
15 any person involved in the transaction that
16 the transaction has been reported; and

17 “(ii) no officer or employee of the
18 Federal Government or of any State, local,
19 tribal, or territorial government within the
20 United States, who has any knowledge that
21 such report was made may disclose to any
22 person involved in the transaction that the
23 transaction has been reported, other than
24 as necessary to fulfill the official duties of
25 such officer or employee.

1 “(B) DISCLOSURES IN CERTAIN EMPLOY-
2 MENT REFERENCES.—

3 “(i) RULE OF CONSTRUCTION.—Not-
4 withstanding the application of subpara-
5 graph (A) in any other context, subpara-
6 graph (A) shall not be construed as prohib-
7 iting any financial institution, or any direc-
8 tor, officer, employee, or agent of such in-
9 stitution, from including information that
10 was included in a report to which subpara-
11 graph (A) applies—

12 “(I) in a written employment ref-
13 erence that is provided in accordance
14 with section 18(w) of the Federal De-
15 posit Insurance Act in response to a
16 request from another financial institu-
17 tion; or

18 “(II) in a written termination no-
19 tice or employment reference that is
20 provided in accordance with the rules
21 of a self-regulatory organization reg-
22 istered with the Securities and Ex-
23 change Commission or the Commodity
24 Futures Trading Commission,

1 except that such written reference or notice
2 may not disclose that such information was
3 also included in any such report, or that
4 such report was made.

5 “(ii) INFORMATION NOT REQUIRED.—
6 Clause (i) shall not be construed, by itself,
7 to create any affirmative duty to include
8 any information described in clause (i) in
9 any employment reference or termination
10 notice referred to in clause (i).”.

11 **SEC. 352. ANTI-MONEY LAUNDERING PROGRAMS.**

12 (a) IN GENERAL.—Section 5318(h) of title 31,
13 United States Code, is amended to read as follows:

14 “(h) ANTI-MONEY LAUNDERING PROGRAMS.—

15 “(1) IN GENERAL.—In order to guard against
16 money laundering through financial institutions,
17 each financial institution shall establish anti-money
18 laundering programs, including, at a minimum—

19 “(A) the development of internal policies,
20 procedures, and controls;

21 “(B) the designation of a compliance offi-
22 cer;

23 “(C) an ongoing employee training pro-
24 gram; and

1 “(D) an independent audit function to test
2 programs.

3 “(2) REGULATIONS.—The Secretary of the
4 Treasury, after consultation with the appropriate
5 Federal functional regulator (as defined in section
6 509 of the Gramm-Leach-Bliley Act), may prescribe
7 minimum standards for programs established under
8 paragraph (1), and may exempt from the application
9 of those standards any financial institution that is
10 not subject to the provisions of the rules contained
11 in part 103 of title 31, of the Code of Federal Regu-
12 lations, or any successor rule thereto, for so long as
13 such financial institution is not subject to the provi-
14 sions of such rules.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall take effect at the end of the 180-day
17 period beginning on the date of enactment of this Act.

18 (c) DATE OF APPLICATION OF REGULATIONS; FAC-
19 TORS TO BE TAKEN INTO ACCOUNT.—Before the end of
20 the 180-day period beginning on the date of enactment
21 of this Act, the Secretary shall prescribe regulations that
22 consider the extent to which the requirements imposed
23 under this section are commensurate with the size, loca-
24 tion, and activities of the financial institutions to which
25 such regulations apply.

1 **SEC. 353. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC**
2 **TARGETING ORDERS AND CERTAIN RECORD-**
3 **KEEPING REQUIREMENTS, AND LENGTH-**
4 **ENING EFFECTIVE PERIOD OF GEOGRAPHIC**
5 **TARGETING ORDERS.**

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

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

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

15 (b) CRIMINAL PENALTIES FOR VIOLATION OF TAR-
16 GETING ORDER.—Section 5322 of title 31, United States
17 Code, is amended—

18 (1) in subsection (a)—

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

22 (B) by inserting “, or willfully violating a
23 regulation prescribed under section 21 of the
24 Federal Deposit Insurance Act or section 123
25 of Public Law 91–508,” after “under section
26 5315 or 5324”); and

1 (2) in subsection (b)—

2 (A) by inserting “or order issued” after
3 “willfully violating this subchapter or a regula-
4 tion prescribed”; and

5 (B) by inserting “or willfully violating a
6 regulation prescribed under section 21 of the
7 Federal Deposit Insurance Act or section 123
8 of Public Law 91–508,” after “under section
9 5315 or 5324),”.

10 (c) STRUCTURING TRANSACTIONS TO EVADE TAR-
11 GETING ORDER OR CERTAIN RECORDKEEPING REQUIRE-
12 MENTS.—Section 5324(a) of title 31, United States Code,
13 is amended—

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

15 (2) by striking “section—” and inserting “sec-
16 tion, the reporting or recordkeeping requirements
17 imposed by any order issued under section 5326, or
18 the recordkeeping requirements imposed by any reg-
19 ulation prescribed under section 21 of the Federal
20 Deposit Insurance Act or section 123 of Public Law
21 91–508—”;

22 (3) in paragraph (1), by inserting “, to file a
23 report or to maintain a record required by an order
24 issued under section 5326, or to maintain a record
25 required pursuant to any regulation prescribed

1 under section 21 of the Federal Deposit Insurance
2 Act or section 123 of Public Law 91–508” after
3 “regulation prescribed under any such section”; and

4 (4) in paragraph (2), by inserting “, to file a
5 report or to maintain a record required by any order
6 issued under section 5326, or to maintain a record
7 required pursuant to any regulation prescribed
8 under section 5326, or to maintain a record required
9 pursuant to any regulation prescribed under section
10 21 of the Federal Deposit Insurance Act or section
11 123 of Public Law 91–508,” after “regulation pre-
12 scribed under any such section”.

13 (d) LENGTHENING EFFECTIVE PERIOD OF GEO-
14 GRAPHIC TARGETING ORDERS.—Section 5326(d) of title
15 31, United States Code, is amended by striking “more
16 than 60” and inserting “more than 180”.

17 **SEC. 354. ANTI-MONEY LAUNDERING STRATEGY.**

18 Section 5341(b) of title 31, United States Code, is
19 amended by adding at the end the following:

20 “(12) DATA REGARDING FUNDING OF TER-
21 RORISM.—Data concerning money laundering efforts
22 related to the funding of acts of international ter-
23 rorism, and efforts directed at the prevention, detec-
24 tion, and prosecution of such funding.”.

1 **SEC. 355. AUTHORIZATION TO INCLUDE SUSPICIONS OF IL-**
2 **LEGAL ACTIVITY IN WRITTEN EMPLOYMENT**
3 **REFERENCES.**

4 Section 18 of the Federal Deposit Insurance Act (12
5 U.S.C. 1828) is amended by adding at the end the fol-
6 lowing:

7 “(w) WRITTEN EMPLOYMENT REFERENCES MAY
8 CONTAIN SUSPICIONS OF INVOLVEMENT IN ILLEGAL AC-
9 TIVITY.—

10 “(1) AUTHORITY TO DISCLOSE INFORMA-
11 TION.—Notwithstanding any other provision of law,
12 any insured depository institution, and any director,
13 officer, employee, or agent of such institution, may
14 disclose in any written employment reference relat-
15 ing to a current or former institution-affiliated party
16 of such institution which is provided to another in-
17 sured depository institution in response to a request
18 from such other institution, information concerning
19 the possible involvement of such institution-affiliated
20 party in potentially unlawful activity.

21 “(2) INFORMATION NOT REQUIRED.—Nothing
22 in paragraph (1) shall be construed, by itself, to cre-
23 ate any affirmative duty to include any information
24 described in paragraph (1) in any employment ref-
25 erence referred to in paragraph (1).

1 “(3) MALICIOUS INTENT.—Notwithstanding
2 any other provision of this subsection, voluntary dis-
3 closure made by an insured depository institution,
4 and any director, officer, employee, or agent of such
5 institution under this subsection concerning poten-
6 tially unlawful activity that is made with malicious
7 intent, shall not be shielded from liability from the
8 person identified in the disclosure.

9 “(4) DEFINITION.—For purposes of this sub-
10 section, the term ‘insured depository institution’ in-
11 cludes any uninsured branch or agency of a foreign
12 bank.”.

13 **SEC. 356. REPORTING OF SUSPICIOUS ACTIVITIES BY SECU-**
14 **RITIES BROKERS AND DEALERS; INVEST-**
15 **MENT COMPANY STUDY.**

16 (a) DEADLINE FOR SUSPICIOUS ACTIVITY REPORT-
17 ING REQUIREMENTS FOR REGISTERED BROKERS AND
18 DEALERS.—The Secretary, after consultation with the Se-
19 curities and Exchange Commission and the Board of Gov-
20 ernors of the Federal Reserve System, shall publish pro-
21 posed regulations in the Federal Register before January
22 1, 2002, requiring brokers and dealers registered with the
23 Securities and Exchange Commission under the Securities
24 Exchange Act of 1934 to submit suspicious activity re-
25 ports under section 5318(g) of title 31, United States

1 Code. Such regulations shall be published in final form
2 not later than July 1, 2002.

3 (b) SUSPICIOUS ACTIVITY REPORTING REQUIRE-
4 MENTS FOR FUTURES COMMISSION MERCHANTS, COM-
5 MODITY TRADING ADVISORS, AND COMMODITY POOL OP-
6 ERATORS.—The Secretary, in consultation with the Com-
7 modity Futures Trading Commission, may prescribe regu-
8 lations requiring futures commission merchants, com-
9 modity trading advisors, and commodity pool operators
10 registered under the Commodity Exchange Act to submit
11 suspicious activity reports under section 5318(g) of title
12 31, United States Code.

13 (c) REPORT ON INVESTMENT COMPANIES.—

14 (1) IN GENERAL.—Not later than 1 year after
15 the date of enactment of this Act, the Secretary, the
16 Board of Governors of the Federal Reserve System,
17 and the Securities and Exchange Commission shall
18 jointly submit a report to the Congress on rec-
19 ommendations for effective regulations to apply the
20 requirements of subchapter II of chapter 53 of title
21 31, United States Code, to investment companies
22 pursuant to section 5312(a)(2)(I) of title 31, United
23 States Code.

24 (2) DEFINITION.—For purposes of this sub-
25 section, the term “investment company”—

1 (A) has the same meaning as in section 3
2 of the Investment Company Act of 1940 (15
3 U.S.C. 80a-3); and

4 (B) includes any person that, but for the
5 exceptions provided for in paragraph (1) or (7)
6 of section 3(e) of the Investment Company Act
7 of 1940 (15 U.S.C. 80a-3(e)), would be an in-
8 vestment company.

9 (3) ADDITIONAL RECOMMENDATIONS.—The re-
10 port required by paragraph (1) may make different
11 recommendations for different types of entities cov-
12 ered by this subsection.

13 (4) BENEFICIAL OWNERSHIP OF PERSONAL
14 HOLDING COMPANIES.—The report described in
15 paragraph (1) shall also include recommendations as
16 to whether the Secretary should promulgate regula-
17 tions to treat any corporation or business or other
18 grantor trust whose assets are predominantly securi-
19 ties, bank certificates of deposit, or other securities
20 or investment instruments (other than such as relate
21 to operating subsidiaries of such corporation or
22 trust) and that has 5 or fewer common shareholders
23 or holders of beneficial or other equity interest, as
24 a financial institution within the meaning of that
25 phrase in section 5312(a)(2)(I) and whether to re-

1 quire such corporations or trusts to disclose their
2 beneficial owners when opening accounts or initi-
3 ating funds transfers at any domestic financial insti-
4 tution.

5 **SEC. 357. SPECIAL REPORT ON ADMINISTRATION OF BANK**
6 **SECRECY PROVISIONS.**

7 (a) REPORT REQUIRED.—Not later than 6 months
8 after the date of enactment of this Act, the Secretary shall
9 submit a report to the Congress relating to the role of
10 the Internal Revenue Service in the administration of sub-
11 chapter II of chapter 53 of title 31, United States Code
12 (commonly known as the “Bank Secrecy Act”).

13 (b) CONTENTS.—The report required by subsection
14 (a)—

15 (1) shall specifically address, and contain rec-
16 ommendations concerning—

17 (A) whether it is advisable to shift the
18 processing of information reporting to the De-
19 partment of the Treasury under the Bank Se-
20 crecy Act provisions to facilities other than
21 those managed by the Internal Revenue Service;
22 and

23 (B) whether it remains reasonable and effi-
24 cient, in light of the objective of both anti-
25 money-laundering programs and Federal tax

1 administration, for the Internal Revenue Serv-
2 ice to retain authority and responsibility for
3 audit and examination of the compliance of
4 money services businesses and gaming institu-
5 tions with those Bank Secrecy Act provisions;
6 and

7 (2) shall, if the Secretary determines that the
8 information processing responsibility or the audit
9 and examination responsibility of the Internal Rev-
10 enue Service, or both, with respect to those Bank
11 Secrecy Act provisions should be transferred to other
12 agencies, include the specific recommendations of
13 the Secretary regarding the agency or agencies to
14 which any such function should be transferred, com-
15 plete with a budgetary and resources plan for expe-
16 ditiously accomplishing the transfer.

17 **SEC. 358. BANK SECRECY PROVISIONS AND ACTIVITIES OF**
18 **UNITED STATES INTELLIGENCE AGENCIES**
19 **TO FIGHT INTERNATIONAL TERRORISM.**

20 (a) AMENDMENT RELATING TO THE PURPOSES OF
21 CHAPTER 53 OF TITLE 31, UNITED STATES CODE.—Sec-
22 tion 5311 of title 31, United States Code, is amended by
23 inserting before the period at the end the following: “, or
24 in the conduct of intelligence or counterintelligence activi-

1 ties, including analysis, to protect against international
2 terrorism”.

3 (b) AMENDMENT RELATING TO REPORTING OF SUS-
4 PICIOUS ACTIVITIES.—Section 5318(g)(4)(B) of title 31,
5 United States Code, is amended by striking “or super-
6 visory agency” and inserting “, supervisory agency, or
7 United States intelligence agency for use in the conduct
8 of intelligence or counterintelligence activities, including
9 analysis, to protect against international terrorism”.

10 (c) AMENDMENT RELATING TO AVAILABILITY OF
11 REPORTS.—Section 5319 of title 31, United States Code,
12 is amended to read as follows:

13 **“§ 5319. Availability of reports**

14 “The Secretary of the Treasury shall make informa-
15 tion in a report filed under this subchapter available to
16 an agency, including any State financial institutions su-
17 pervisory agency, United States intelligence agency or self-
18 regulatory organization registered with the Securities and
19 Exchange Commission or the Commodity Futures Trading
20 Commission, upon request of the head of the agency or
21 organization. The report shall be available for a purpose
22 that is consistent with this subchapter. The Secretary may
23 only require reports on the use of such information by any
24 State financial institutions supervisory agency for other
25 than supervisory purposes or by United States intelligence

1 agencies. However, a report and records of reports are ex-
2 empt from disclosure under section 552 of title 5.”.

3 (d) AMENDMENT RELATING TO THE PURPOSES OF
4 THE BANK SECRECY ACT PROVISIONS.—Section 21(a) of
5 the Federal Deposit Insurance Act (12 U.S.C. 1829b(a))
6 is amended to read as follows:

7 “(a) CONGRESSIONAL FINDINGS AND DECLARATION
8 OF PURPOSE.—

9 “(1) FINDINGS.—Congress finds that—

10 “(A) adequate records maintained by in-
11 sured depository institutions have a high degree
12 of usefulness in criminal, tax, and regulatory
13 investigations or proceedings, and that, given
14 the threat posed to the security of the Nation
15 on and after the terrorist attacks against the
16 United States on September 11, 2001, such
17 records may also have a high degree of useful-
18 ness in the conduct of intelligence or counter-
19 intelligence activities, including analysis, to pro-
20 tect against domestic and international ter-
21 rorism; and

22 “(B) microfilm or other reproductions and
23 other records made by insured depository insti-
24 tutions of checks, as well as records kept by
25 such institutions, of the identity of persons

1 maintaining or authorized to act with respect to
2 accounts therein, have been of particular value
3 in proceedings described in subparagraph (A).

4 “(2) PURPOSE.—It is the purpose of this sec-
5 tion to require the maintenance of appropriate types
6 of records by insured depository institutions in the
7 United States where such records have a high degree
8 of usefulness in criminal, tax, or regulatory inves-
9 tigation or proceedings, recognizes that, given the
10 threat posed to the security of the Nation on and
11 after the terrorist attacks against the United States
12 on September 11, 2001, such records may also have
13 a high degree of usefulness in the conduct of intel-
14 ligence or counterintelligence activities, including
15 analysis, to protect against international terrorism.”.

16 (e) AMENDMENT RELATING TO THE PURPOSES OF
17 THE BANK SECRECY ACT.—Section 123(a) of Public Law
18 91–508 (12 U.S.C. 1953(a)) is amended to read as fol-
19 lows:

20 “(a) REGULATIONS.—If the Secretary determines
21 that the maintenance of appropriate records and proce-
22 dures by any uninsured bank or uninsured institution, or
23 any person engaging in the business of carrying on in the
24 United States any of the functions referred to in sub-
25 section (b), has a high degree of usefulness in criminal,

1 tax, or regulatory investigations or proceedings, and that,
2 given the threat posed to the security of the Nation on
3 and after the terrorist attacks against the United States
4 on September 11, 2001, such records may also have a high
5 degree of usefulness in the conduct of intelligence or coun-
6 terintelligence activities, including analysis, to protect
7 against international terrorism, he may by regulation re-
8 quire such bank, institution, or person.”.

9 (f) AMENDMENTS TO THE RIGHT TO FINANCIAL PRI-
10 VACY ACT.—The Right to Financial Privacy Act of 1978
11 is amended—

12 (1) in section 1112(a) (12 U.S.C. 3412(a)), by
13 inserting “, or intelligence or counterintelligence ac-
14 tivity, investigation or analysis related to inter-
15 national terrorism” after “legitimate law enforce-
16 ment inquiry”;

17 (2) in section 1114(a)(1) (12 U.S.C.
18 3414(a)(1))—

19 (A) in subparagraph (A), by striking “or”
20 at the end;

21 (B) in subparagraph (B), by striking the
22 period at the end and inserting “; or”; and

23 (C) by adding at the end the following:

24 “(C) a Government authority authorized to
25 conduct investigations of, or intelligence or

1 counterintelligence analyses related to, inter-
2 national terrorism for the purpose of con-
3 ducting such investigations or analyses.”; and

4 (3) in section 1120(a)(2) (12 U.S.C.
5 3420(a)(2)), by inserting “, or for a purpose author-
6 ized by section 1112(a)” before the semicolon at the
7 end.

8 (g) AMENDMENT TO THE FAIR CREDIT REPORTING
9 ACT.—

10 (1) IN GENERAL.—The Fair Credit Reporting
11 Act (15 U.S.C. 1681 et seq.) is amended—

12 (A) by redesignating the second of the 2
13 sections designated as section 624 (15 U.S.C.
14 1681u) (relating to disclosure to FBI for coun-
15 terintelligence purposes) as section 625; and

16 (B) by adding at the end the following new
17 section:

18 **“§ 626. Disclosures to governmental agencies for**
19 **counterterrorism purposes**

20 “(a) DISCLOSURE.—Notwithstanding section 604 or
21 any other provision of this title, a consumer reporting
22 agency shall furnish a consumer report of a consumer and
23 all other information in a consumer’s file to a government
24 agency authorized to conduct investigations of, or intel-
25 ligence or counterintelligence activities or analysis related

1 to, international terrorism when presented with a written
2 certification by such government agency that such infor-
3 mation is necessary for the agency's conduct or such inves-
4 tigation, activity or analysis.

5 “(b) FORM OF CERTIFICATION.—The certification
6 described in subsection (a) shall be signed by a supervisory
7 official designated by the head of a Federal agency or an
8 officer of a Federal agency whose appointment to office
9 is required to be made by the President, by and with the
10 advice and consent of the Senate.

11 “(c) CONFIDENTIALITY.—No consumer reporting
12 agency, or officer, employee, or agent of such consumer
13 reporting agency, shall disclose to any person, or specify
14 in any consumer report, that a government agency has
15 sought or obtained access to information under subsection
16 (a).

17 “(d) RULE OF CONSTRUCTION.—Nothing in section
18 625 shall be construed to limit the authority of the Direc-
19 tor of the Federal Bureau of Investigation under this sec-
20 tion.

21 “(e) SAFE HARBOR.—Notwithstanding any other
22 provision of this title, any consumer reporting agency or
23 agent or employee thereof making disclosure of consumer
24 reports or other information pursuant to this section in
25 good-faith reliance upon a certification of a governmental

1 agency pursuant to the provisions of this section shall not
 2 be liable to any person for such disclosure under this sub-
 3 chapter, the constitution of any State, or any law or regu-
 4 lation of any State or any political subdivision of any
 5 State.”.

6 (2) CLERICAL AMENDMENTS.—The table of sec-
 7 tions for the Fair Credit Reporting Act (15 U.S.C.
 8 1681 et seq.) is amended—

9 (A) by redesignating the second of the 2
 10 items designated as section 624 as section 625;
 11 and

12 (B) by inserting after the item relating to
 13 section 625 (as so redesignated) the following
 14 new item:

“626. Disclosures to governmental agencies for counterterrorism purposes.”.

15 (h) APPLICATION OF AMENDMENTS.—The amend-
 16 ments made by this section shall apply with respect to re-
 17 ports filed or records maintained on, before, or after the
 18 date of enactment of this Act.

19 **SEC. 359. REPORTING OF SUSPICIOUS ACTIVITIES BY UN-**
 20 **DERGROUND BANKING SYSTEMS.**

21 (a) DEFINITION FOR SUBCHAPTER.—Section
 22 5312(a)(2)(R) of title 31, United States Code, is amended
 23 to read as follows:

24 “(R) a licensed sender of money or any
 25 other person who engages as a business in the

1 transmission of funds, including any person
2 who engages as a business in an informal
3 money transfer system or any network of people
4 who engage as a business in facilitating the
5 transfer of money domestically or internation-
6 ally outside of the conventional financial institu-
7 tions system;”.

8 (b) MONEY TRANSMITTING BUSINESS.—Section
9 5330(d)(1)(A) of title 31, United States Code, is amended
10 by inserting before the semicolon the following: “or any
11 other person who engages as a business in the trans-
12 mission of funds, including any person who engages as a
13 business in an informal money transfer system or any net-
14 work of people who engage as a business in facilitating
15 the transfer of money domestically or internationally out-
16 side of the conventional financial institutions system;”.

17 (c) APPLICABILITY OF RULES.—Section 5318 of title
18 31, United States Code, as amended by this title, is
19 amended by adding at the end the following:

20 “(1) APPLICABILITY OF RULES.—Any rules promul-
21 gated pursuant to the authority contained in section 21
22 of the Federal Deposit Insurance Act (12 U.S.C. 1829b)
23 shall apply, in addition to any other financial institution
24 to which such rules apply, to any person that engages as
25 a business in the transmission of funds, including any per-

1 son who engages as a business in an informal money
2 transfer system or any network of people who engage as
3 a business in facilitating the transfer of money domesti-
4 cally or internationally outside of the conventional finan-
5 cial institutions system.”.

6 (d) REPORT.—Not later than 1 year after the date
7 of enactment of this Act, the Secretary of the Treasury
8 shall report to Congress on the need for any additional
9 legislation relating to persons who engage as a business
10 in an informal money transfer system or any network of
11 people who engage as a business in facilitating the trans-
12 fer of money domestically or internationally outside of the
13 conventional financial institutions system, counter money
14 laundering and regulatory controls relating to under-
15 ground money movement and banking systems, including
16 whether the threshold for the filing of suspicious activity
17 reports under section 5318(g) of title 31, United States
18 Code should be lowered in the case of such systems.

19 **SEC. 360. USE OF AUTHORITY OF UNITED STATES EXECU-**
20 **TIVE DIRECTORS.**

21 (a) ACTION BY THE PRESIDENT.—If the President
22 determines that a particular foreign country has taken or
23 has committed to take actions that contribute to efforts
24 of the United States to respond to, deter, or prevent acts
25 of international terrorism, the Secretary may, consistent

1 with other applicable provisions of law, instruct the United
2 States Executive Director of each international financial
3 institution to use the voice and vote of the Executive Di-
4 rector to support any loan or other utilization of the funds
5 of respective institutions for such country, or any public
6 or private entity within such country.

7 (b) USE OF VOICE AND VOTE.—The Secretary may
8 instruct the United States Executive Director of each
9 international financial institution to aggressively use the
10 voice and vote of the Executive Director to require an au-
11 diting of disbursements at such institutions to ensure that
12 no funds are paid to persons who commit, threaten to
13 commit, or support terrorism.

14 (c) DEFINITION.—For purposes of this section, the
15 term “international financial institution” means an insti-
16 tution described in section 1701(c)(2) of the International
17 Financial Institutions Act (22 U.S.C. 262r(c)(2)).

18 **SEC. 361. FINANCIAL CRIMES ENFORCEMENT NETWORK.**

19 (a) IN GENERAL.—Subchapter I of chapter 3 of title
20 31, United States Code, is amended—

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

22 and

23 (2) by inserting after section 309 the following
24 new section:

1 **“§ 310. Financial Crimes Enforcement Network**

2 “(a) IN GENERAL.—The Financial Crimes Enforce-
3 ment Network established by order of the Secretary of the
4 Treasury (Treasury Order Numbered 105-08, in this sec-
5 tion referred to as ‘FinCEN’) on April 25, 1990, shall be
6 a bureau in the Department of the Treasury.

7 “(b) DIRECTOR.—

8 “(1) APPOINTMENT.—The head of FinCEN
9 shall be the Director, who shall be appointed by the
10 Secretary of the Treasury.

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

13 “(A) Advise and make recommendations
14 on matters relating to financial intelligence, fi-
15 nancial criminal activities, and other financial
16 activities to the Under Secretary of the Treas-
17 ury for Enforcement.

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

21 “(i) Information collected by the De-
22 partment of the Treasury, including report
23 information filed under subchapter II of
24 chapter 53 of this title (such as reports on
25 cash transactions, foreign financial agency
26 transactions and relationships, foreign cur-

1 rency transactions, exporting and import-
2 ing monetary instruments, and suspicious
3 activities), chapter 2 of title I of Public
4 Law 91–508, and section 21 of the Fed-
5 eral Deposit Insurance Act.

6 “(ii) Information regarding national
7 and international currency flows.

8 “(iii) Other records and data main-
9 tained by other Federal, State, local, and
10 foreign agencies, including financial and
11 other records developed in specific cases.

12 “(iv) Other privately and publicly
13 available information.

14 “(C) Analyze and disseminate the available
15 data in accordance with applicable legal require-
16 ments and policies and guidelines established by
17 the Secretary of the Treasury and the Under
18 Secretary of the Treasury for Enforcement to—

19 “(i) identify possible criminal activity
20 to appropriate Federal, State, local, and
21 foreign law enforcement agencies;

22 “(ii) support ongoing criminal finan-
23 cial investigations and prosecutions and re-
24 lated proceedings, including civil and crimi-
25 nal tax and forfeiture proceedings;

1 “(iii) identify possible instances of
2 noncompliance with subchapter II of chap-
3 ter 53 of this title, chapter 2 of title I of
4 Public Law 91–508, and section 21 of the
5 Federal Deposit Insurance Act to Federal
6 agencies with statutory responsibility for
7 enforcing compliance with such provisions
8 and other appropriate Federal regulatory
9 agencies;

10 “(iv) evaluate and recommend possible
11 uses of special currency reporting require-
12 ments under section 5326;

13 “(v) determine emerging trends and
14 methods in money laundering and other fi-
15 nancial crimes;

16 “(vi) support the conduct of intel-
17 ligence or counterintelligence activities, in-
18 cluding analysis, to protect against inter-
19 national terrorism; and

20 “(vii) support government initiatives
21 against money laundering.

22 “(D) Establish and maintain a financial
23 crimes communications center to furnish law
24 enforcement authorities with intelligence infor-

1 mation related to emerging or ongoing inves-
2 tigations and undercover operations.

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

15 “(F) Assist Federal, State, local, and for-
16 eign law enforcement and regulatory authorities
17 in combatting the use of informal, nonbank net-
18 works and payment and barter system mecha-
19 nisms that permit the transfer of funds or the
20 equivalent of funds without records and without
21 compliance with criminal and tax laws.

22 “(G) Provide computer and data support
23 and data analysis to the Secretary of the Treas-
24 ury for tracking and controlling foreign assets.

1 “(H) Coordinate with financial intelligence
2 units in other countries on anti-terrorism and
3 anti-money laundering initiatives, and similar
4 efforts.

5 “(I) Administer the requirements of sub-
6 chapter II of chapter 53 of this title, chapter 2
7 of title I of Public Law 91–508, and section 21
8 of the Federal Deposit Insurance Act, to the ex-
9 tent delegated such authority by the Secretary
10 of the Treasury.

11 “(J) Such other duties and powers as the
12 Secretary of the Treasury may delegate or pre-
13 scribe.

14 “(c) REQUIREMENTS RELATING TO MAINTENANCE
15 AND USE OF DATA BANKS.—The Secretary of the Treas-
16 ury shall establish and maintain operating procedures with
17 respect to the government-wide data access service and the
18 financial crimes communications center maintained by
19 FinCEN which provide—

20 “(1) for the coordinated and efficient trans-
21 mittal of information to, entry of information into,
22 and withdrawal of information from, the data main-
23 tenance system maintained by the Network,
24 including—

1 “(A) the submission of reports through the
2 Internet or other secure network, whenever pos-
3 sible;

4 “(B) the cataloguing of information in a
5 manner that facilitates rapid retrieval by law
6 enforcement personnel of meaningful data; and

7 “(C) a procedure that provides for a
8 prompt initial review of suspicious activity re-
9 ports and other reports, or such other means as
10 the Secretary may provide, to identify informa-
11 tion that warrants immediate action; and

12 “(2) in accordance with section 552a of title 5
13 and the Right to Financial Privacy Act of 1978, ap-
14 propriate standards and guidelines for
15 determining—

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

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

20 “(C) how information about activities or
21 relationships which involve or are closely associ-
22 ated with the exercise of constitutional rights is
23 to be screened out of the data maintenance sys-
24 tem.

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated for FinCEN such sums
3 as may be necessary for fiscal years 2002, 2003, 2004,
4 and 2005.”.

5 (b) COMPLIANCE WITH REPORTING REQUIRE-
6 MENTS.—The Secretary of the Treasury shall study meth-
7 ods for improving compliance with the reporting require-
8 ments established in section 5314 of title 31, United
9 States Code, and shall submit a report on such study to
10 the Congress by the end of the 6-month period beginning
11 on the date of enactment of this Act and each 1-year pe-
12 riod thereafter. The initial report shall include historical
13 data on compliance with such reporting requirements.

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

17 (1) by redesignating the item relating to section
18 310 as section 311; and

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

“310. Financial Crimes Enforcement Network.”.

21 **SEC. 362. ESTABLISHMENT OF HIGHLY SECURE NETWORK.**

22 (a) IN GENERAL.—The Secretary shall establish a
23 highly secure network in the Financial Crimes Enforce-
24 ment Network that—

1 (1) allows financial institutions to file reports
2 required under subchapter II or III of chapter 53 of
3 title 31, United States Code, chapter 2 of Public
4 Law 91–508, or section 21 of the Federal Deposit
5 Insurance Act through the secure network; and

6 (2) provides financial institutions with alerts
7 and other information regarding suspicious activities
8 that warrant immediate and enhanced scrutiny.

9 (b) **EXPEDITED DEVELOPMENT.**—The Secretary
10 shall take such action as may be necessary to ensure that
11 the secure network required under subsection (a) is fully
12 operational before the end of the 9-month period begin-
13 ning on the date of enactment of this Act.

14 **SEC. 363. INCREASE IN CIVIL AND CRIMINAL PENALTIES**
15 **FOR MONEY LAUNDERING.**

16 (a) **CIVIL PENALTIES.**—Section 5321(a) of title 31,
17 United States Code, is amended by adding at the end the
18 following:

19 “(7) **PENALTIES FOR INTERNATIONAL**
20 **COUNTER MONEY LAUNDERING VIOLATIONS.**—The
21 Secretary may impose a civil money penalty in an
22 amount equal to not less than 2 times the amount
23 of the transaction, but not more than \$1,000,000,
24 on any financial institution or agency that violates
25 any provision of subsection (i) or (j) of section 5318

1 or any special measures imposed under section
2 5318A.”.

3 (b) CRIMINAL PENALTIES.—Section 5322 of title 31,
4 United States Code, is amended by adding at the end the
5 following:

6 “(d) A financial institution or agency that violates
7 any provision of subsection (i) or (j) of section 5318, or
8 any special measures imposed under section 5318A, or any
9 regulation prescribed under subsection (i) or (j) of section
10 5318 or section 5318A, shall be fined in an amount equal
11 to not less than 2 times the amount of the transaction,
12 but not more than \$1,000,000.”.

13 **SEC. 364. UNIFORM PROTECTION AUTHORITY FOR FED-**
14 **ERAL RESERVE FACILITIES.**

15 Section 11 of the Federal Reserve Act (12 U.S.C.
16 248) is amended by adding at the end the following:

17 “(q) UNIFORM PROTECTION AUTHORITY FOR FED-
18 ERAL RESERVE FACILITIES.—

19 “(1) Notwithstanding any other provision of
20 law, to authorize personnel to act as law enforce-
21 ment officers to protect and safeguard the premises,
22 grounds, property, personnel, including members of
23 the Board, of the Board, or any Federal reserve
24 bank, and operations conducted by or on behalf of
25 the Board or a reserve bank.

1 “(2) The Board may, subject to the regulations
2 prescribed under paragraph (5), delegate authority
3 to a Federal reserve bank to authorize personnel to
4 act as law enforcement officers to protect and safe-
5 guard the bank’s premises, grounds, property, per-
6 sonnel, and operations conducted by or on behalf of
7 the bank.

8 “(3) Law enforcement officers designated or
9 authorized by the Board or a reserve bank under
10 paragraph (1) or (2) are authorized while on duty
11 to carry firearms and make arrests without warrants
12 for any offense against the United States committed
13 in their presence, or for any felony cognizable under
14 the laws of the United States committed or being
15 committed within the buildings and grounds of the
16 Board or a reserve bank if they have reasonable
17 grounds to believe that the person to be arrested has
18 committed or is committing such a felony. Such offi-
19 cers shall have access to law enforcement informa-
20 tion that may be necessary for the protection of the
21 property or personnel of the Board or a reserve
22 bank.

23 “(4) For purposes of this subsection, the term
24 ‘law enforcement officers’ means personnel who have
25 successfully completed law enforcement training and

1 are authorized to carry firearms and make arrests
2 pursuant to this subsection.

3 “(5) The law enforcement authorities provided
4 for in this subsection may be exercised only pursu-
5 ant to regulations prescribed by the Board and ap-
6 proved by the Attorney General.”.

7 **SEC. 365. REPORTS RELATING TO COINS AND CURRENCY**
8 **RECEIVED IN NONFINANCIAL TRADE OR**
9 **BUSINESS.**

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

13 **“§ 5331. Reports relating to coins and currency re-**
14 **ceived in nonfinancial trade or business**

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

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

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

22 shall file a report described in subsection (b) with respect
23 to such transaction (or related transactions) with the Fi-
24 nancial Crimes Enforcement Network at such time and

1 in such manner as the Secretary may, by regulation, pre-
2 scribe.

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

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

7 “(2) contains—

8 “(A) the name and address, and such
9 other identification information as the Sec-
10 retary may require, of the person from whom
11 the coins or currency was received;

12 “(B) the amount of coins or currency re-
13 ceived;

14 “(C) the date and nature of the trans-
15 action; and

16 “(D) such other information, including the
17 identification of the person filing the report, as
18 the Secretary may prescribe.

19 “(c) EXCEPTIONS.—

20 “(1) AMOUNTS RECEIVED BY FINANCIAL INSTI-
21 TUTIONS.—Subsection (a) shall not apply to
22 amounts received in a transaction reported under
23 section 5313 and regulations prescribed under such
24 section.

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

6 “(d) CURRENCY INCLUDES FOREIGN CURRENCY AND
7 CERTAIN MONETARY INSTRUMENTS.—

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

10 “(A) foreign currency; and

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

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

20 “(b) PROHIBITION ON STRUCTURING TRANS-
21 ACTIONS.—

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

24 (A) by redesignating subsections (b) and
25 (c) as subsections (c) and (d), respectively; and

1 (B) by inserting after subsection (a) the
2 following new subsection:

3 “(b) DOMESTIC COIN AND CURRENCY TRANS-
4 ACTIONS INVOLVING NONFINANCIAL TRADES OR BUSI-
5 NESSES.—No person shall, for the purpose of evading the
6 report requirements of section 5333 or any regulation pre-
7 scribed under such section—

8 “(1) cause or attempt to cause a nonfinancial
9 trade or business to fail to file a report required
10 under section 5333 or any regulation prescribed
11 under such section;

12 “(2) cause or attempt to cause a nonfinancial
13 trade or business to file a report required under sec-
14 tion 5333 or any regulation prescribed under such
15 section that contains a material omission or
16 misstatement of fact; or

17 “(3) structure or assist in structuring, or at-
18 tempt to structure or assist in structuring, any
19 transaction with 1 or more nonfinancial trades or
20 businesses.’.

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

23 (A) The heading for subsection (a) of sec-
24 tion 5324 of title 31, United States Code, is

1 amended by inserting “INVOLVING FINANCIAL
2 INSTITUTIONS” after “TRANSACTIONS”.

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

6 (c) DEFINITION OF NONFINANCIAL TRADE OR BUSI-
7 NESS.—

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

10 (A) by redesignating paragraphs (4) and
11 (5) as paragraphs (5) and (6), respectively; and

12 (B) by inserting after paragraph (3) the
13 following new paragraph:

14 “(4) NONFINANCIAL TRADE OR BUSINESS.—

15 The term ‘nonfinancial trade or business’ means any
16 trade or business other than a financial institution
17 that is subject to the reporting requirements of sec-
18 tion 5313 and regulations prescribed under such sec-
19 tion.”.

20 (2) TECHNICAL AND CONFORMING AMEND-
21 MENTS.—

22 (A) Section 5312(a)(3)(C) of title 31,
23 United States Code, is amended by striking
24 “section 5316,” and inserting “sections 5333
25 and 5316.”.

1 (B) Subsections (a) through (f) of section
2 5318 of title 31, United States Code, and sec-
3 tions 5321, 5326, and 5328 of such title are
4 each amended—

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

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

11 (c) CLERICAL AMENDMENT.—The table of sections
12 for chapter 53 of title 31, United States Code, is amended
13 by inserting after the item relating to section 5332 (as
14 added by section 112 of this title) the following new item:

“5331. Reports relating to coins and currency received in nonfinancial trade or
business.”.

15 (f) REGULATIONS.—Regulations which the Secretary
16 determines are necessary to implement this section shall
17 be published in final form before the end of the 6-month
18 period beginning on the date of enactment of this Act.

19 **SEC. 366. EFFICIENT USE OF CURRENCY TRANSACTION RE-**
20 **PORT SYSTEM.**

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

22 (1) The Congress established the currency
23 transaction reporting requirements in 1970 because
24 the Congress found then that such reports have a

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

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

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

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

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

1 transaction reports is once again interfering with ef-
2 fective law enforcement.

3 (b) STUDY AND REPORT.—

4 (1) STUDY REQUIRED.—The Secretary shall
5 conduct a study of—

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

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

19 (2) REPORT REQUIRED.—The Secretary of the
20 Treasury shall submit a report to the Congress be-
21 fore the end of the 1-year period beginning on the
22 date of enactment of this Act containing the findings
23 and conclusions of the Secretary with regard to the
24 study required under subsection (a), and such rec-

1 ommendations for legislative or administrative action
2 as the Secretary determines to be appropriate.

3 **Subtitle C—Currency Crimes and**
4 **Protection**

5 **SEC. 371. BULK CASH SMUGGLING INTO OR OUT OF THE**
6 **UNITED STATES.**

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

8 (1) Effective enforcement of the currency re-
9 porting requirements of subchapter II of chapter 53
10 of title 31, United States Code, and the regulations
11 prescribed under such subchapter, has forced drug
12 dealers and other criminals engaged in cash-based
13 businesses to avoid using traditional financial insti-
14 tutions.

15 (2) In their effort to avoid using traditional fi-
16 nancial institutions, drug dealers and other criminals
17 are forced to move large quantities of currency in
18 bulk form to and through the airports, border cross-
19 ings, and other ports of entry where the currency
20 can be smuggled out of the United States and placed
21 in a foreign financial institution or sold on the black
22 market.

23 (3) The transportation and smuggling of cash
24 in bulk form may now be the most common form of
25 money laundering, and the movement of large sums

1 of cash is one of the most reliable warning signs of
2 drug trafficking, terrorism, money laundering, rack-
3 eteering, tax evasion and similar crimes.

4 (4) The intentional transportation into or out of
5 the United States of large amounts of currency or
6 monetary instruments, in a manner designed to cir-
7 cumvent the mandatory reporting provisions of sub-
8 chapter II of chapter 53 of title 31, United States
9 Code,, is the equivalent of, and creates the same
10 harm as, the smuggling of goods.

11 (5) The arrest and prosecution of bulk cash
12 smugglers are important parts of law enforcement's
13 effort to stop the laundering of criminal proceeds,
14 but the couriers who attempt to smuggle the cash
15 out of the United States are typically low-level em-
16 ployees of large criminal organizations, and thus are
17 easily replaced. Accordingly, only the confiscation of
18 the smuggled bulk cash can effectively break the
19 cycle of criminal activity of which the laundering of
20 the bulk cash is a critical part.

21 (6) The current penalties for violations of the
22 currency reporting requirements are insufficient to
23 provide a deterrent to the laundering of criminal
24 proceeds. In particular, in cases where the only
25 criminal violation under current law is a reporting

1 offense, the law does not adequately provide for the
2 confiscation of smuggled currency. In contrast, if the
3 smuggling of bulk cash were itself an offense, the
4 cash could be confiscated as the corpus delicti of the
5 smuggling offense.

6 (b) PURPOSES.—The purposes of this section are—

7 (1) to make the act of smuggling bulk cash
8 itself a criminal offense;

9 (2) to authorize forfeiture of any cash or instru-
10 ments of the smuggling offense; and

11 (3) to emphasize the seriousness of the act of
12 bulk cash smuggling.

13 (c) ENACTMENT OF BULK CASH SMUGGLING OF-
14 FENSE.—Subchapter II of chapter 53 of title 31, United
15 States Code, is amended by adding at the end the fol-
16 lowing:

17 **“§ 5332. Bulk cash smuggling into or out of the**
18 **United States**

19 **“(a) CRIMINAL OFFENSE.—**

20 **“(1) IN GENERAL.—**Whoever, with the intent to
21 evade a currency reporting requirement under sec-
22 tion 5316, knowingly conceals more than \$10,000 in
23 currency or other monetary instruments on the per-
24 son of such individual or in any conveyance, article
25 of luggage, merchandise, or other container, and

1 transports or transfers or attempts to transport or
2 transfer such currency or monetary instruments
3 from a place within the United States to a place out-
4 side of the United States, or from a place outside
5 the United States to a place within the United
6 States, shall be guilty of a currency smuggling of-
7 fense and subject to punishment pursuant to sub-
8 section (b).

9 “(2) CONCEALMENT ON PERSON.—For pur-
10 poses of this section, the concealment of currency on
11 the person of any individual includes concealment in
12 any article of clothing worn by the individual or in
13 any luggage, backpack, or other container worn or
14 carried by such individual.

15 “(b) PENALTY.—

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

20 “(2) FORFEITURE.—In addition, the court, in
21 imposing sentence under paragraph (1), shall order
22 that the defendant forfeit to the United States, any
23 property, real or personal, involved in the offense,
24 and any property traceable to such property, subject
25 to subsection (d) of this section.

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

5 “(4) PERSONAL MONEY JUDGMENT.—If the
6 property subject to forfeiture under paragraph (2) is
7 unavailable, and the defendant has insufficient sub-
8 stitute property that may be forfeited pursuant to
9 section 413(p) of the Controlled Substances Act, the
10 court shall enter a personal money judgment against
11 the defendant for the amount that would be subject
12 to forfeiture.

13 “(c) CIVIL FORFEITURE.—

14 “(1) IN GENERAL.—Any property involved in a
15 violation of subsection (a), or a conspiracy to com-
16 mit such violation, and any property traceable to
17 such violation or conspiracy, may be seized and, sub-
18 ject to subsection (d) of this section, forfeited to the
19 United States.

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

24 “(3) TREATMENT OF CERTAIN PROPERTY AS
25 INVOLVED IN THE OFFENSE.—For purposes of this

1 subsection and subsection (b), any currency or other
2 monetary instrument that is concealed or intended
3 to be concealed in violation of subsection (a) or a
4 conspiracy to commit such violation, any article, con-
5 tainer, or conveyance used, or intended to be used,
6 to conceal or transport the currency or other mone-
7 tary instrument, and any other property used, or in-
8 tended to be used, to facilitate the offense, shall be
9 considered property involved in the offense.”.

10 (c) CLERICAL AMENDMENT.—The table of sections
11 for subchapter II of chapter 53 of title 31, United States
12 Code, is amended by inserting after the item relating to
13 section 5331, as added by this Act, the following new item:

“5332. Bulk cash smuggling into or out of the United States.”.

14 **SEC. 372. FORFEITURE IN CURRENCY REPORTING CASES.**

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

18 “(c) FORFEITURE.—

19 “(1) CRIMINAL FORFEITURE.—

20 “(A) IN GENERAL.—The court in imposing
21 sentence for any violation of section 5313,
22 5316, or 5324 of this title, or any conspiracy to
23 commit such violation, shall order the defendant
24 to forfeit all property, real or personal, involved

1 in the offense and any property traceable there-
2 to.

3 “(B) PROCEDURE.—Forfeitures under this
4 paragraph shall be governed by the procedures
5 established in section 413 of the Controlled
6 Substances Act.

7 “(2) CIVIL FORFEITURE.—Any property in-
8 volved in a violation of section 5313, 5316, or 5324
9 of this title, or any conspiracy to commit any such
10 violation, and any property traceable to any such
11 violation or conspiracy, may be seized and forfeited
12 to the United States in accordance with the proce-
13 dures governing civil forfeitures in money laundering
14 cases pursuant to section 981(a)(1)(A) of title 18,
15 United States Code.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 981(a)(1)(A) of title 18, United
18 States Code, is amended—

19 (A) by striking “of section 5313(a) or
20 5324(a) of title 31, or”; and

21 (B) by striking “However” and all that fol-
22 lows through the end of the subparagraph.

23 (2) Section 982(a)(1) of title 18, United States
24 Code, is amended—

1 (A) by striking “of section 5313(a), 5316,
2 or 5324 of title 31, or”; and

3 (B) by striking “However” and all that fol-
4 lows through the end of the paragraph.

5 **SEC. 373. ILLEGAL MONEY TRANSMITTING BUSINESSES.**

6 (a) SCIENTER REQUIREMENT FOR SECTION 1960
7 VIOLATION.—Section 1960 of title 18, United States
8 Code, is amended to read as follows:

9 **“§ 1960. Prohibition of unlicensed money transmit-
10 ting businesses**

11 “(a) Whoever knowingly conducts, controls, manages,
12 supervises, directs, or owns all or part of an unlicensed
13 money transmitting business, shall be fined in accordance
14 with this title or imprisoned not more than 5 years, or
15 both.

16 “(b) As used in this section—

17 “(1) the term ‘unlicensed money transmitting
18 business’ means a money transmitting business
19 which affects interstate or foreign commerce in any
20 manner or degree and—

21 “(A) is operated without an appropriate
22 money transmitting license in a State where
23 such operation is punishable as a misdemeanor
24 or a felony under State law, whether or not the
25 defendant knew that the operation was required

1 to be licensed or that the operation was so pun-
2 ishable;

3 “(B) fails to comply with the money trans-
4 mitting business registration requirements
5 under section 5330 of title 31, United States
6 Code, or regulations prescribed under such sec-
7 tion; or

8 “(C) otherwise involves the transportation
9 or transmission of funds that are known to the
10 defendant to have been derived from a criminal
11 offense or are intended to be used to be used
12 to promote or support unlawful activity;

13 “(2) the term ‘money transmitting’ includes
14 transferring funds on behalf of the public by any
15 and all means including but not limited to transfers
16 within this country or to locations abroad by wire,
17 check, draft, facsimile, or courier; and

18 “(3) the term ‘State’ means any State of the
19 United States, the District of Columbia, the North-
20 ern Mariana Islands, and any commonwealth, terri-
21 tory, or possession of the United States.”.

22 (b) SEIZURE OF ILLEGALLY TRANSMITTED
23 FUNDS.—Section 981(a)(1)(A) of title 18, United States
24 Code, is amended by striking “or 1957” and inserting “,
25 1957 or 1960”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for chapter 95 of title 18, United States Code, is amended
3 in the item relating to section 1960 by striking “illegal”
4 and inserting “unlicensed”.

5 **SEC. 374. COUNTERFEITING DOMESTIC CURRENCY AND OB-**
6 **LIGATIONS.**

7 (a) COUNTERFEIT ACTS COMMITTED OUTSIDE THE
8 UNITED STATES.—Section 470 of title 18, United States
9 Code, is amended—

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

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

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

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

24 (d) DEALING IN COUNTERFEIT OBLIGATIONS OR SE-
25 CURITIES.—Section 473 of title 18, United States Code,

1 is amended by striking “ten years” and inserting “20
2 years”.

3 (e) PLATES, STONES, OR ANALOG, DIGITAL, OR
4 ELECTRONIC IMAGES FOR COUNTERFEITING OBLIGA-
5 TIONS OR SECURITIES.—

6 (1) IN GENERAL.—Section 474(a) of title 18,
7 United States Code, is amended by inserting after
8 the second paragraph the following new paragraph:
9 “Whoever, with intent to defraud, makes, executes,
10 acquires, scans, captures, records, receives, transmits, re-
11 produces, sells, or has in such person’s control, custody,
12 or possession, an analog, digital, or electronic image of
13 any obligation or other security of the United States; or”.

14 (2) AMENDMENT TO DEFINITION.—Section
15 474(b) of title 18, United States Code, is amended
16 by striking the first sentence and inserting the fol-
17 lowing new sentence: “For purposes of this section,
18 the term ‘analog, digital, or electronic image’ in-
19 cludes any analog, digital, or electronic method used
20 for the making, execution, acquisition, scanning,
21 capturing, recording, retrieval, transmission, or re-
22 production of any obligation or security, unless such
23 use is authorized by the Secretary of the Treasury.”.

24 (3) TECHNICAL AND CONFORMING AMEND-
25 MENT.—The heading for section 474 of title 18,

1 United States Code, is amended by striking “**or**
2 **stones**” and inserting “, **stones, or analog,**
3 **digital, or electronic images**”.

4 (4) CLERICAL AMENDMENT.—The table of sec-
5 tions for chapter 25 of title 18, United States Code,
6 is amended in the item relating to section 474 by
7 striking “or stones” and inserting “, stones, or ana-
8 log, digital, or electronic images”.

9 (f) TAKING IMPRESSIONS OF TOOLS USED FOR OBLI-
10 GATIONS OR SECURITIES.—Section 476 of title 18, United
11 States Code, is amended—

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

14 (2) by striking “ten years” and inserting “25
15 years”.

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

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

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

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

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

6 (i) BONDS AND OBLIGATIONS OF CERTAIN LENDING
7 AGENCIES.—The first and second paragraphs of section
8 493 of title 18, United States Code, are each amended
9 by striking “five years” and inserting “10 years”.

10 **SEC. 375. COUNTERFEITING FOREIGN CURRENCY AND OB-**
11 **LIGATIONS.**

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

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

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

23 (d) PLATES, STONES, OR ANALOG, DIGITAL, OR
24 ELECTRONIC IMAGES FOR COUNTERFEITING FOREIGN
25 OBLIGATIONS OR SECURITIES.—

1 (1) IN GENERAL.—Section 481 of title 18,
2 United States Code, is amended by inserting after
3 the second paragraph the following new paragraph:
4 “Whoever, with intent to defraud, makes, executes,
5 acquires, scans, captures, records, receives, transmits, re-
6 produces, sells, or has in such person’s control, custody,
7 or possession, an analog, digital, or electronic image of
8 any bond, certificate, obligation, or other security of any
9 foreign government, or of any treasury note, bill, or prom-
10 ise to pay, lawfully issued by such foreign government and
11 intended to circulate as money; or”.

12 (2) INCREASED SENTENCE.—The last para-
13 graph of section 481 of title 18, United States Code,
14 is amended by striking “five years” and inserting
15 “25 years”.

16 (3) TECHNICAL AND CONFORMING AMEND-
17 MENT.—The heading for section 481 of title 18,
18 United States Code, is amended by striking “**or**
19 **stones**” and inserting “**, stones, or analog,**
20 **digital, or electronic images**”.

21 (4) CLERICAL AMENDMENT.—The table of sec-
22 tions for chapter 25 of title 18, United States Code,
23 is amended in the item relating to section 481 by
24 striking “or stones” and inserting “**, stones, or ana-**
25 **log, digital, or electronic 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. 376. LAUNDERING THE PROCEEDS OF TERRORISM.**

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

10 **SEC. 377. EXTRATERRITORIAL JURISDICTION.**

11 Section 1029 of title 18, United States Code, is
12 amended by adding at the end the following:

13 “(h) Any person who, outside the jurisdiction of the
14 United States, engages in any act that, if committed with-
15 in the jurisdiction of the United States, would constitute
16 an offense under subsection (a) or (b) of this section, shall
17 be subject to the fines, penalties, imprisonment, and for-
18 feiture provided in this title if—

19 “(1) the offense involves an access device
20 issued, owned, managed, or controlled by a financial
21 institution, account issuer, credit card system mem-
22 ber, or other entity within the jurisdiction of the
23 United States; and

24 “(2) the person transports, delivers, conveys,
25 transfers to or through, or otherwise stores, secrets,

1 or holds within the jurisdiction of the United States,
2 any article used to assist in the commission of the
3 offense or the proceeds of such offense or property
4 derived therefrom.”.

5 **TITLE IV—PROTECTING THE**
6 **BORDER**

7 **Subtitle A—Protecting the**
8 **Northern Border**

9 **SEC. 401. ENSURING ADEQUATE PERSONNEL ON THE**
10 **NORTHERN BORDER.**

11 The Attorney General is authorized to waive any
12 FTE cap on personnel assigned to the Immigration and
13 Naturalization Service on the Northern border.

14 **SEC. 402. NORTHERN BORDER PERSONNEL.**

15 There are authorized to be appropriated—

16 (1) such sums as may be necessary to triple the
17 number of Border Patrol personnel (from the num-
18 ber authorized under current law), and the necessary
19 personnel and facilities to support such personnel, in
20 each State along the Northern Border;

21 (2) such sums as may be necessary to triple the
22 number of Customs Service personnel (from the
23 number authorized under current law), and the nec-
24 essary personnel and facilities to support such per-

1 sonnel, at ports of entry in each State along the
2 Northern Border;

3 (3) such sums as may be necessary to triple the
4 number of INS inspectors (from the number author-
5 ized on the date of the enactment of this Act), and
6 the necessary personnel and facilities to support
7 such personnel, at ports of entry in each State along
8 the Northern Border; and

9 (4) an additional \$50,000,000 each to the Im-
10 migration and Naturalization Service and the United
11 States Customs Service for purposes of making im-
12 provements in technology for monitoring the North-
13 ern Border and acquiring additional equipment at
14 the Northern Border.

15 **SEC. 403. ACCESS BY THE DEPARTMENT OF STATE AND**
16 **THE INS TO CERTAIN IDENTIFYING INFORMA-**
17 **TION IN THE CRIMINAL HISTORY RECORDS**
18 **OF VISA APPLICANTS AND APPLICANTS FOR**
19 **ADMISSION TO THE UNITED STATES.**

20 (a) AMENDMENT OF THE IMMIGRATION AND NA-
21 TIONALITY ACT.—Section 105 of the Immigration and
22 Nationality Act (8 U.S.C. 1105) is amended—

23 (1) in the section heading, by inserting “; DATA
24 EXCHANGE” after “SECURITY OFFICERS”;

25 (2) by inserting “(a)” after “SEC. 105.”;

1 (3) in subsection (a), by inserting “and border”
2 after “internal” the second place it appears; and

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

4 “(b)(1) The Attorney General and the Director of the
5 Federal Bureau of Investigation shall provide the Depart-
6 ment of State and the Service access to the criminal his-
7 tory record information contained in the National Crime
8 Information Center’s Interstate Identification Index
9 (NCIC-III), Wanted Persons File, and to any other files
10 maintained by the National Crime Information Center
11 that may be mutually agreed upon by the Attorney Gen-
12 eral and the agency receiving the access, for the purpose
13 of determining whether or not a visa applicant or appli-
14 cant for admission has a criminal history record indexed
15 in any such file.

16 “(2) Such access shall be provided by means of ex-
17 tracts of the records for placement in the automated visa
18 lookout or other appropriate database, and shall be pro-
19 vided without any fee or charge.

20 “(3) The Federal Bureau of Investigation shall pro-
21 vide periodic updates of the extracts at intervals mutually
22 agreed upon with the agency receiving the access. Upon
23 receipt of such updated extracts, the receiving agency shall
24 make corresponding updates to its database and destroy
25 previously provided extracts.

1 “(4) Access to an extract does not entitle the Depart-
2 ment of State to obtain the full content of the cor-
3 responding automated criminal history record. To obtain
4 the full content of a criminal history record, the Depart-
5 ment of State shall submit the applicant’s fingerprints and
6 any appropriate fingerprint processing fee authorized by
7 law to the Criminal Justice Information Services Division
8 of the Federal Bureau of Investigation.

9 “(c) The provision of the extracts described in sub-
10 section (b) may be reconsidered by the Attorney General
11 and the receiving agency upon the development and de-
12 ployment of a more cost-effective and efficient means of
13 sharing the information.

14 “(d) For purposes of administering this section, the
15 Department of State shall, prior to receiving access to
16 NCIC data but not later than 4 months after the date
17 of enactment of this subsection, promulgate final
18 regulations—

19 “(1) to implement procedures for the taking of
20 fingerprints; and

21 “(2) to establish the conditions for the use of
22 the information received from the Federal Bureau of
23 Investigation, in order—

24 “(A) to limit the redissemination of such
25 information;

1 “(B) to ensure that such information is
2 used solely to determine whether or not to issue
3 a visa to an alien or to admit an alien to the
4 United States;

5 “(C) to ensure the security, confidentiality,
6 and destruction of such information; and

7 “(D) to protect any privacy rights of indi-
8 viduals who are subjects of such information.”.

9 (b) REPORTING REQUIREMENT.—Not later than 2
10 years after the date of enactment of this Act, the Attorney
11 General and the Secretary of State jointly shall report to
12 Congress on the implementation of the amendments made
13 by this section.

14 (c) TECHNOLOGY STANDARD TO CONFIRM IDEN-
15 TITY.—

16 (1) IN GENERAL.—The Attorney General and
17 the Secretary of State jointly, through the National
18 Institute of Standards and Technology (NIST), and
19 in consultation with the Secretary of the Treasury
20 and other Federal law enforcement and intelligence
21 agencies the Attorney General or Secretary of State
22 deems appropriate and in consultation with Con-
23 gress, shall within 2 years after the date of the en-
24 actment of this section, develop and certify a tech-
25 nology standard that can be used to verify the iden-

1 tity of persons applying for a United States visa or
2 such persons seeking to enter the United States pur-
3 suant to a visa for the purposes of conducting back-
4 ground checks, confirming identity, and ensuring
5 that a person has not received a visa under a dif-
6 ferent name or such person seeking to enter the
7 United States pursuant to a visa.

8 (2) INTEGRATED.—The technology standard de-
9 veloped pursuant to paragraph (1), shall be the tech-
10 nological basis for a cross-agency, cross-platform
11 electronic system that is a cost-effective, efficient,
12 fully integrated means to share law enforcement and
13 intelligence information necessary to confirm the
14 identity of such persons applying for a United States
15 visa or such person seeking to enter the United
16 States pursuant to a visa.

17 (3) ACCESSIBLE.—The electronic system de-
18 scribed in paragraph (2), once implemented, shall be
19 readily and easily accessible to—

20 (A) all consular officers responsible for the
21 issuance of visas;

22 (B) all Federal inspection agents at all
23 United States border inspection points; and

24 (C) all law enforcement and intelligence of-
25 ficers as determined by regulation to be respon-

1 sible for investigation or identification of aliens
2 admitted to the United States pursuant to a
3 visa.

4 (4) REPORT.—Not later than 18 months after
5 the date of the enactment of this Act, and every 2
6 years thereafter, the Attorney General and the Sec-
7 retary of State shall jointly, in consultation with the
8 Secretary of Treasury, report to Congress describing
9 the development, implementation, efficacy, and pri-
10 vacy implications of the technology standard and
11 electronic database system described in this sub-
12 section.

13 (5) FUNDING.—There is authorized to be ap-
14 propriated to the Secretary of State, the Attorney
15 General, and the Director of the National Institute
16 of Standards and Technology such sums as may be
17 necessary to carry out the provisions of this sub-
18 section.

19 (d) STATUTORY CONSTRUCTION.—Nothing in this
20 section, or in any other law, shall be construed to limit
21 the authority of the Attorney General or the Director of
22 the Federal Bureau of Investigation to provide access to
23 the criminal history record information contained in the
24 National Crime Information Center's (NCIC) Interstate
25 Identification Index (NCIC-III), or to any other informa-

1 tion maintained by the NCIC, to any Federal agency or
2 officer authorized to enforce or administer the immigra-
3 tion laws of the United States, for the purpose of such
4 enforcement or administration, upon terms that are con-
5 sistent with the National Crime Prevention and Privacy
6 Compact Act of 1998 (subtitle A of title II of Public Law
7 105–251; 42 U.S.C. 14611–16) and section 552a of title
8 5, United States Code.

9 **SEC. 404. LIMITED AUTHORITY TO PAY OVERTIME.**

10 The matter under the headings “Immigration And
11 Naturalization Service: Salaries and Expenses, Enforce-
12 ment And Border Affairs” and “Immigration And Natu-
13 ralization Service: Salaries and Expenses, Citizenship And
14 Benefits, Immigration And Program Direction” in the De-
15 partment of Justice Appropriations Act, 2001 (as enacted
16 into law by Appendix B (H.R. 5548) of Public Law 106–
17 553 (114 Stat. 2762A–58 to 2762A–59)) is amended by
18 striking the following each place it occurs: “*Provided*, That
19 none of the funds available to the Immigration and Natu-
20 ralization Service shall be available to pay any employee
21 overtime pay in an amount in excess of \$30,000 during
22 the calendar year beginning January 1, 2001:”.

1 **SEC. 405. REPORT ON THE INTEGRATED AUTOMATED FIN-**
2 **GERPRINT IDENTIFICATION SYSTEM FOR**
3 **PORTS OF ENTRY AND OVERSEAS CONSULAR**
4 **POSTS.**

5 (a) IN GENERAL.—The Attorney General, in con-
6 sultation with the appropriate heads of other Federal
7 agencies, including the Secretary of State, Secretary of the
8 Treasury, and the Secretary of Transportation, shall re-
9 port to Congress on the feasibility of enhancing the Inte-
10 grated Automated Fingerprint Identification System
11 (IAFIS) of the Federal Bureau of Investigation and other
12 identification systems in order to better identify a person
13 who holds a foreign passport or a visa and may be wanted
14 in connection with a criminal investigation in the United
15 States or abroad, before the issuance of a visa to that per-
16 son or the entry or exit from the United States by that
17 person.

18 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated not less than \$2,000,000
20 to carry out this section.

21 **Subtitle B—Enhanced Immigration**
22 **Provisions**

23 **SEC. 411. DEFINITIONS RELATING TO TERRORISM.**

24 (a) GROUNDS OF INADMISSIBILITY.—Section
25 212(a)(3) of the Immigration and Nationality Act (8
26 U.S.C. 1182(a)(3)) is amended—

1 (1) in subparagraph (B)—

2 (A) in clause (i)—

3 (i) by amending subclause (IV) to
4 read as follows:

5 “(IV) is a representative (as de-
6 fined in clause (v)) of—

7 “(aa) a foreign terrorist or-
8 ganization, as designated by the
9 Secretary of State under section
10 219, or

11 “(bb) a political, social or
12 other similar group whose public
13 endorsement of acts of terrorist
14 activity the Secretary of State
15 has determined undermines
16 United States efforts to reduce or
17 eliminate terrorist activities,”;

18 (ii) in subclause (V), by inserting “or”
19 after “section 219,”; and

20 (iii) by adding at the end the fol-
21 lowing new subclauses:

22 “(VI) has used the alien’s posi-
23 tion of prominence within any country
24 to endorse or espouse terrorist activ-
25 ity, or to persuade others to support

1 terrorist activity or a terrorist organi-
2 zation, in a way that the Secretary of
3 State has determined undermines
4 United States efforts to reduce or
5 eliminate terrorist activities, or

6 “(VII) is the spouse or child of
7 an alien who is inadmissible under
8 this section, if the activity causing the
9 alien to be found inadmissible oc-
10 curred within the last 5 years,”;

11 (B) by redesignating clauses (ii), (iii), and
12 (iv) as clauses (iii), (iv), and (v), respectively;

13 (C) in clause (i)(II), by striking “clause
14 (iii)” and inserting “clause (iv)”;

15 (D) by inserting after clause (i) the fol-
16 lowing:

17 “(ii) EXCEPTION.—Subclause (VII) of
18 clause (i) does not apply to a spouse or
19 child—

20 “(I) who did not know or should
21 not reasonably have known of the ac-
22 tivity causing the alien to be found in-
23 admissible under this section; or

24 “(II) whom the consular officer
25 or Attorney General has reasonable

1 grounds to believe has renounced the
2 activity causing the alien to be found
3 inadmissible under this section.”;

4 (E) in clause (iii) (as redesignated by sub-
5 paragraph (B))—

6 (i) by inserting “it had been” before
7 “committed in the United States”; and

8 (ii) in subclause (V)(b), by striking
9 “or firearm” and inserting “, firearm, or
10 other weapon or dangerous device”;

11 (F) by amending clause (iv) (as redesi-
12 gnated by subparagraph (B)) to read as follows:

13 “(iv) ENGAGE IN TERRORIST ACTIVITY
14 DEFINED.—As used in this chapter, the
15 term ‘engage in terrorist activity’ means,
16 in an individual capacity or as a member
17 of an organization—

18 “(I) to commit or to incite to
19 commit, under circumstances indi-
20 cating an intention to cause death or
21 serious bodily injury, a terrorist activ-
22 ity;

23 “(II) to prepare or plan a ter-
24 rorist activity;

1 “(III) to gather information on
2 potential targets for terrorist activity;

3 “(IV) to solicit funds or other
4 things of value for—

5 “(aa) a terrorist activity;

6 “(bb) a terrorist organiza-
7 tion described in clause (vi)(I) or
8 (vi)(II); or

9 “(cc) a terrorist organiza-
10 tion described in clause (vi)(III),
11 unless the solicitor can dem-
12 onstrate that he did not know,
13 and should not reasonably have
14 known, that the solicitation
15 would further the organization’s
16 terrorist activity;

17 “(V) to solicit any individual—

18 “(aa) to engage in conduct
19 otherwise described in this
20 clause;

21 “(bb) for membership in a
22 terrorist organization described
23 in clause (vi)(I) or (vi)(II); or

24 “(cc) for membership in a
25 terrorist organization described

1 in clause (vi)(III), unless the so-
2 licitor can demonstrate that he
3 did not know, and should not
4 reasonably have known, that the
5 solicitation would further the or-
6 ganization’s terrorist activity; or

7 “(VI) to commit an act that the
8 actor knows, or reasonably should
9 know, affords material support, in-
10 cluding a safe house, transportation,
11 communications, funds, transfer of
12 funds or other material financial ben-
13 efit, false documentation or identifica-
14 tion, weapons (including chemical, bi-
15 ological, or radiological weapons), ex-
16 plosives, or training—

17 “(aa) for the commission of
18 a terrorist activity;

19 “(bb) to any individual who
20 the actor knows, or reasonably
21 should know, has committed or
22 plans to commit a terrorist activ-
23 ity;

1 “(cc) to a terrorist organiza-
2 tion described in clause (vi)(I) or
3 (vi)(II); or

4 “(dd) to a terrorist organi-
5 zation described in clause
6 (vi)(III), unless the actor can
7 demonstrate that he did not
8 know, and should not reasonably
9 have known, that the act would
10 further the organization’s ter-
11 rorist activity.

12 This clause shall not apply to any ma-
13 terial support the alien afforded to an
14 organization or individual that has
15 committed terrorist activity, if the
16 Secretary of State, after consultation
17 with the Attorney General, or the At-
18 torney General, after consultation
19 with the Secretary of State, concludes
20 in his sole unreviewable discretion,
21 that this clause should not apply.”;
22 and

23 (G) by adding at the end the following new
24 clause:

1 “(vi) TERRORIST ORGANIZATION DE-
2 FINED.—As used in clause (i)(VI) and
3 clause (iv), the term ‘terrorist organiza-
4 tion’ means an organization—

5 “(I) designated under section
6 219;

7 “(II) otherwise designated, upon
8 publication in the Federal Register, by
9 the Secretary of State in consultation
10 with or upon the request of the Attor-
11 ney General, as a terrorist organiza-
12 tion, after finding that the organiza-
13 tion engages in the activities described
14 in subclause (I), (II), or (III) of
15 clause (iv), or that the organization
16 provides material support to further
17 terrorist activity; or

18 “(III) that is a group of two or
19 more individuals, whether organized
20 or not, which engages in the activities
21 described in subclause (I), (II), or
22 (III) of clause (iv).”;

23 (2) by adding at the end the following new sub-
24 paragraph:

1 “(F) ASSOCIATION WITH TERRORIST ORGA-
2 NIZATIONS.—Any alien who the Secretary of
3 State, after consultation with the Attorney Gen-
4 eral, or the Attorney General, after consultation
5 with the Secretary of State, determines has
6 been associated with a terrorist organization
7 and intends while in the United States to en-
8 gage solely, principally, or incidentally in activi-
9 ties that could endanger the welfare, safety, or
10 security of the United States is inadmissible.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 237(a)(4)(B) of the Immigration
13 and Nationality Act (8 U.S.C. 1227(a)(4)(B)) is
14 amended by striking “section 212(a)(3)(B)(iii)” and
15 inserting “section 212(a)(3)(B)(iv)”.

16 (2) Section 208(b)(2)(A)(v) of the Immigration
17 and Nationality Act (8 U.S.C. 1158(b)(2)(A)(v)) is
18 amended by striking “or (IV)” and inserting “(IV),
19 or (VI)”.

20 (c) RETROACTIVE APPLICATION OF AMENDMENTS.—

21 (1) IN GENERAL.—Except as otherwise pro-
22 vided in this subsection, the amendments made by
23 this section shall take effect on the date of the en-
24 actment of this Act and shall apply to—

1 (A) actions taken by an alien before, on, or
2 after such date; and

3 (B) all aliens, without regard to the date
4 of entry or attempted entry into the United
5 States—

6 (i) in removal proceedings on or after
7 such date (except for proceedings in which
8 there has been a final administrative deci-
9 sion before such date); or

10 (ii) seeking admission to the United
11 States on or after such date.

12 (2) SPECIAL RULE FOR ALIENS IN EXCLUSION
13 OR DEPORTATION PROCEEDINGS.—Notwithstanding
14 any other provision of law, sections 212(a)(3)(B)
15 and 237(a)(4)(B) of the Immigration and Nation-
16 ality Act, as amended by this Act, shall apply to all
17 aliens in exclusion or deportation proceedings on or
18 after the date of the enactment of this Act (except
19 for proceedings in which there has been a final ad-
20 ministrative decision before such date) as if such
21 proceedings were removal proceedings.

22 (3) SPECIAL RULE FOR SECTION 219 ORGANIZA-
23 TIONS AND ORGANIZATIONS DESIGNATED UNDER
24 SECTION 212(a)(3)(B)(vi)(II).—

1 (A) IN GENERAL.—Notwithstanding para-
2 graphs (1) and (2), no alien shall be considered
3 inadmissible under section 212(a)(3) of the Im-
4 migration and Nationality Act (8 U.S.C.
5 1182(a)(3)), or deportable under section
6 237(a)(4)(B) of such Act (8 U.S.C.
7 1227(a)(4)(B)), by reason of the amendments
8 made by subsection (a), on the ground that the
9 alien engaged in a terrorist activity described in
10 subclause (IV)(bb), (V)(bb), or (VI)(cc) of sec-
11 tion 212(a)(3)(B)(iv) of such Act (as so amend-
12 ed) with respect to a group at any time when
13 the group was not a terrorist organization des-
14 ignated by the Secretary of State under section
15 219 of such Act (8 U.S.C. 1189) or otherwise
16 designated under section 212(a)(3)(B)(vi)(II) of
17 such Act (as so amended).

18 (B) STATUTORY CONSTRUCTION.—Sub-
19 paragraph (A) shall not be construed to prevent
20 an alien from being considered inadmissible or
21 deportable for having engaged in a terrorist
22 activity—

23 (i) described in subclause (IV)(bb),
24 (V)(bb), or (VI)(cc) of section
25 212(a)(3)(B)(iv) of such Act (as so amend-

1 ed) with respect to a terrorist organization
2 at any time when such organization was
3 designated by the Secretary of State under
4 section 219 of such Act or otherwise des-
5 ignated under section 212(a)(3)(B)(vi)(II)
6 of such Act (as so amended); or

7 (ii) described in subclause (IV)(cc),
8 (V)(cc), or (VI)(dd) of section
9 212(a)(3)(B)(iv) of such Act (as so amend-
10 ed) with respect to a terrorist organization
11 described in section 212(a)(3)(B)(vi)(III)
12 of such Act (as so amended).

13 (4) EXCEPTION.—The Secretary of State, in
14 consultation with the Attorney General, may deter-
15 mine that the amendments made by this section
16 shall not apply with respect to actions by an alien
17 taken outside the United States before the date of
18 the enactment of this Act upon the recommendation
19 of a consular officer who has concluded that there
20 is not reasonable ground to believe that the alien
21 knew or reasonably should have known that the ac-
22 tions would further a terrorist activity.

23 (c) DESIGNATION OF FOREIGN TERRORIST ORGANI-
24 ZATIONS.—Section 219(a) of the Immigration and Nation-
25 ality Act (8 U.S.C. 1189(a)) is amended—

1 (1) in paragraph (1)(B), by inserting “or ter-
2 rorism (as defined in section 140(d)(2) of the For-
3 eign Relations Authorization Act, Fiscal Years 1988
4 and 1989 (22 U.S.C. 2656f(d)(2)), or retains the ca-
5 pability and intent to engage in terrorist activity or
6 terrorism” after “212(a)(3)(B)”;

7 (2) in paragraph (1)(C), by inserting “or ter-
8 rorism” after “terrorist activity”;

9 (3) by amending paragraph (2)(A) to read as
10 follows:

11 “(A) NOTICE.—

12 “(i) TO CONGRESSIONAL LEADERS.—

13 Seven days before making a designation
14 under this subsection, the Secretary shall,
15 by classified communication, notify the
16 Speaker and Minority Leader of the House
17 of Representatives, the President pro tem-
18 pore, Majority Leader, and Minority Lead-
19 er of the Senate, and the members of the
20 relevant committees of the House of Rep-
21 resentatives and the Senate, in writing, of
22 the intent to designate an organization
23 under this subsection, together with the
24 findings made under paragraph (1) with

1 respect to that organization, and the fac-
2 tual basis therefor.

3 “(ii) PUBLICATION IN FEDERAL REG-
4 ISTER.—The Secretary shall publish the
5 designation in the Federal Register seven
6 days after providing the notification under
7 clause (i).”;

8 (4) in paragraph (2)(B)(i), by striking “sub-
9 paragraph (A)” and inserting “subparagraph
10 (A)(ii)”;

11 (5) in paragraph (2)(C), by striking “paragraph
12 (2)” and inserting “paragraph (2)(A)(i)”;

13 (6) in paragraph (3)(B), by striking “sub-
14 section (c)” and inserting “subsection (b)”;

15 (7) in paragraph (4)(B), by inserting after the
16 first sentence the following: “The Secretary also may
17 redesignate such organization at the end of any 2-
18 year redesignation period (but not sooner than 60
19 days prior to the termination of such period) for an
20 additional 2-year period upon a finding that the rel-
21 evant circumstances described in paragraph (1) still
22 exist. Any redesignation shall be effective imme-
23 diately following the end of the prior 2-year designa-
24 tion or redesignation period unless a different effec-
25 tive date is provided in such redesignation.”;

1 (8) in paragraph (6)(A)—

2 (A) by inserting “or a redesignation made
3 under paragraph (4)(B)” after “paragraph
4 (1)”;

5 (B) in clause (i)—

6 (i) by inserting “or redesignation”
7 after “designation” the first place it ap-
8 pears; and

9 (ii) by striking “of the designation”;
10 and

11 (C) in clause (ii), by striking “of the des-
12 igation”;

13 (9) in paragraph (6)(B)—

14 (A) by striking “through (4)” and insert-
15 ing “and (3)”;

16 (B) by inserting at the end the following
17 new sentence: “Any revocation shall take effect
18 on the date specified in the revocation or upon
19 publication in the Federal Register if no effec-
20 tive date is specified.”;

21 (10) in paragraph (7), by inserting “, or the
22 revocation of a redesignation under paragraph (6),”
23 after “paragraph (5) or (6)”;

24 (11) in paragraph (8)—

1 (A) by striking “paragraph (1)(B)” and
2 inserting “paragraph (2)(B), or if a redesigna-
3 tion under this subsection has become effective
4 under paragraph (4)(B)”;

5 (B) by inserting “or an alien in a removal
6 proceeding” after “criminal action”; and

7 (C) by inserting “or redesignation” before
8 “as a defense”.

9 **SEC. 412. MANDATORY DETENTION OF SUSPECTED TER-**
10 **RORISTS; HABEAS CORPUS; JUDICIAL RE-**
11 **VIEW.**

12 (a) IN GENERAL.—The Immigration and Nationality
13 Act (8 U.S.C. 1101 et seq.) is amended by inserting after
14 section 236 the following:

15 “MANDATORY DETENTION OF SUSPECTED TERRORISTS;

16 HABEAS CORPUS; JUDICIAL REVIEW

17 “SEC. 236A. (a) DETENTION OF TERRORIST
18 ALIENS.—

19 “(1) CUSTODY.—The Attorney General shall
20 take into custody any alien who is certified under
21 paragraph (3).

22 “(2) RELEASE.—Except as provided in para-
23 graphs (5) and (6), the Attorney General shall main-
24 tain custody of such an alien until the alien is re-
25 moved from the United States. Except as provided
26 in paragraph (6), such custody shall be maintained

1 irrespective of any relief from removal for which the
2 alien may be eligible, or any relief from removal
3 granted the alien, until the Attorney General deter-
4 mines that the alien is no longer an alien who may
5 be certified under paragraph (3). If the alien is fi-
6 nally determined not to be removable, detention pur-
7 suant to this subsection shall terminate.

8 “(3) CERTIFICATION.—The Attorney General
9 may certify an alien under this paragraph if the At-
10 torney General has reasonable grounds to believe
11 that the alien—

12 “(A) is described in section
13 212(a)(3)(A)(i), 212(a)(3)(A)(iii),
14 212(a)(3)(B), 237(a)(4)(A)(i),
15 237(a)(4)(A)(iii), or 237(a)(4)(B); or

16 “(B) is engaged in any other activity that
17 endangers the national security of the United
18 States.

19 “(4) NONDELEGATION.—The Attorney General
20 may delegate the authority provided under para-
21 graph (3) only to the Deputy Attorney General. The
22 Deputy Attorney General may not delegate such au-
23 thority.

24 “(5) COMMENCEMENT OF PROCEEDINGS.—The
25 Attorney General shall place an alien detained under

1 paragraph (1) in removal proceedings, or shall
2 charge the alien with a criminal offense, not later
3 than 7 days after the commencement of such deten-
4 tion. If the requirement of the preceding sentence is
5 not satisfied, the Attorney General shall release the
6 alien.

7 “(6) LIMITATION ON INDEFINITE DETEN-
8 TION.—An alien detained solely under paragraph (1)
9 who has not been removed under section
10 241(a)(1)(A), and whose removal is unlikely in the
11 reasonably foreseeable future, may be detained for
12 additional periods of up to six months only if the re-
13 lease of the alien will threaten the national security
14 of the United States or the safety of the community
15 or any person.

16 “(7) REVIEW OF CERTIFICATION.—The Attor-
17 ney General shall review the certification made
18 under paragraph (3) every 6 months. If the Attorney
19 General determines, in the Attorney General’s dis-
20 cretion, that the certification should be revoked, the
21 alien may be released on such conditions as the At-
22 torney General deems appropriate, unless such re-
23 lease is otherwise prohibited by law. The alien may
24 request each 6 months in writing that the Attorney
25 General reconsider the certification and may submit

1 documents or other evidence in support of that re-
2 quest.

3 “(b) HABEAS CORPUS AND JUDICIAL REVIEW.—

4 “(1) IN GENERAL.—Judicial review of any ac-
5 tion or decision relating to this section (including ju-
6 dicial review of the merits of a determination made
7 under subsection (a)(3) or (a)(6)) is available exclu-
8 sively in habeas corpus proceedings consistent with
9 this subsection. Except as provided in the preceding
10 sentence, no court shall have jurisdiction to review,
11 by habeas corpus petition or otherwise, any such ac-
12 tion or decision.

13 “(2) APPLICATION.—

14 “(A) IN GENERAL.—Notwithstanding any
15 other provision of law, including section
16 2241(a) of title 28, United States Code, habeas
17 corpus proceedings described in paragraph (1)
18 may be initiated only by an application filed
19 with—

20 “(i) the Supreme Court;

21 “(ii) any justice of the Supreme
22 Court;

23 “(iii) any circuit judge of the United
24 States Court of Appeals for the District of
25 Columbia Circuit; or

1 “(iv) any district court otherwise hav-
2 ing jurisdiction to entertain it.

3 “(B) APPLICATION TRANSFER.—Section
4 2241(b) of title 28, United States Code, shall
5 apply to an application for a writ of habeas cor-
6 pus described in subparagraph (A).

7 “(3) APPEALS.—Notwithstanding any other
8 provision of law, including section 2253 of title 28,
9 in habeas corpus proceedings described in paragraph
10 (1) before a circuit or district judge, the final order
11 shall be subject to review, on appeal, by the United
12 States Court of Appeals for the District of Columbia
13 Circuit. There shall be no right of appeal in such
14 proceedings to any other circuit court of appeals.

15 “(4) RULE OF DECISION.—The law applied by
16 the Supreme Court and the United States Court of
17 Appeals for the District of Columbia Circuit shall be
18 regarded as the rule of decision in habeas corpus
19 proceedings described in paragraph (1).

20 “(c) STATUTORY CONSTRUCTION.—The provisions of
21 this section shall not be applicable to any other provision
22 of this Act.”.

23 (b) CLERICAL AMENDMENT.—The table of contents
24 of the Immigration and Nationality Act is amended by in-
25 serting after the item relating to section 236 the following:

“Sec. 236A. Mandatory detention of suspected terrorist; habeas corpus; judicial review.”.

1 (c) REPORTS.—Not later than 6 months after the
2 date of the enactment of this Act, and every 6 months
3 thereafter, the Attorney General shall submit a report to
4 the Committee on the Judiciary of the House of Rep-
5 resentatives and the Committee on the Judiciary of the
6 Senate, with respect to the reporting period, on—

7 (1) the number of aliens certified under section
8 236A(a)(3) of the Immigration and Nationality Act,
9 as added by subsection (a);

10 (2) the grounds for such certifications;

11 (3) the nationalities of the aliens so certified;

12 (4) the length of the detention for each alien so
13 certified; and

14 (5) the number of aliens so certified who—

15 (A) were granted any form of relief from
16 removal;

17 (B) were removed;

18 (C) the Attorney General has determined
19 are no longer aliens who may be so certified; or

20 (D) were released from detention.

21 **SEC. 413. MULTILATERAL COOPERATION AGAINST TERROR-**
22 **ISTS.**

23 Section 222(f) of the Immigration and Nationality
24 Act (8 U.S.C. 1202(f)) is amended—

1 (1) by striking “except that in the discretion
2 of” and inserting the following: “except that—

3 “(1) in the discretion of”; and

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

5 “(2) the Secretary of State, in the Secretary’s
6 discretion and on the basis of reciprocity, may pro-
7 vide to a foreign government information in the De-
8 partment of State’s computerized visa lookout data-
9 base and, when necessary and appropriate, other
10 records covered by this section related to informa-
11 tion in the database—

12 “(A) with regard to individual aliens, at
13 any time on a case-by-case basis for the pur-
14 pose of preventing, investigating, or punishing
15 acts that would constitute a crime in the United
16 States, including, but not limited to, terrorism
17 or trafficking in controlled substances, persons,
18 or illicit weapons; or

19 “(B) with regard to any or all aliens in the
20 database, pursuant to such conditions as the
21 Secretary of State shall establish in an agree-
22 ment with the foreign government in which that
23 government agrees to use such information and
24 records for the purposes described in subpara-

1 graph (A) or to deny visas to persons who
2 would be inadmissible to the United States.”.

3 **SEC. 414. VISA INTEGRITY AND SECURITY.**

4 (a) SENSE OF CONGRESS REGARDING THE NEED TO
5 EXPEDITE IMPLEMENTATION OF INTEGRATED ENTRY
6 AND EXIT DATA SYSTEM.—

7 (1) SENSE OF CONGRESS.—In light of the ter-
8 rorist attacks perpetrated against the United States
9 on September 11, 2001, it is the sense of the Con-
10 gress that—

11 (A) the Attorney General, in consultation
12 with the Secretary of State, should fully imple-
13 ment the integrated entry and exit data system
14 for airports, seaports, and land border ports of
15 entry, as specified in section 110 of the Illegal
16 Immigration Reform and Immigrant Responsi-
17 bility Act of 1996 (8 U.S.C. 1365a), with all
18 deliberate speed and as expeditiously as prac-
19 ticable; and

20 (B) the Attorney General, in consultation
21 with the Secretary of State, the Secretary of
22 Commerce, the Secretary of the Treasury, and
23 the Office of Homeland Security, should imme-
24 diately begin establishing the Integrated Entry
25 and Exit Data System Task Force, as described

1 in section 3 of the Immigration and Naturaliza-
2 tion Service Data Management Improvement
3 Act of 2000 (Public Law 106–215).

4 (2) AUTHORIZATION OF APPROPRIATIONS.—

5 There is authorized to be appropriated such sums as
6 may be necessary to fully implement the system de-
7 scribed in paragraph (1)(A).

8 (b) DEVELOPMENT OF THE SYSTEM.—In the devel-
9 opment of the integrated entry and exit data system under
10 section 110 of the Illegal Immigration Reform and Immig-
11 rant Responsibility Act of 1996 (8 U.S.C. 1365a), the
12 Attorney General and the Secretary of State shall particu-
13 larly focus on—

14 (1) the utilization of biometric technology; and

15 (2) the development of tamper-resistant docu-
16 ments readable at ports of entry.

17 (c) INTERFACE WITH LAW ENFORCEMENT DATA-

18 BASES.—The entry and exit data system described in this
19 section shall be able to interface with law enforcement
20 databases for use by Federal law enforcement to identify
21 and detain individuals who pose a threat to the national
22 security of the United States.

23 (d) REPORT ON SCREENING INFORMATION.—Not

24 later than 12 months after the date of enactment of this
25 Act, the Office of Homeland Security shall submit a report

1 to Congress on the information that is needed from any
2 United States agency to effectively screen visa applicants
3 and applicants for admission to the United States to iden-
4 tify those affiliated with terrorist organizations or those
5 that pose any threat to the safety or security of the United
6 States, including the type of information currently re-
7 ceived by United States agencies and the regularity with
8 which such information is transmitted to the Secretary of
9 State and the Attorney General.

10 **SEC. 415. PARTICIPATION OF OFFICE OF HOMELAND SECU-**
11 **RITY ON ENTRY-EXIT TASK FORCE.**

12 Section 3 of the Immigration and Naturalization
13 Service Data Management Improvement Act of 2000
14 (Public Law 106–215) is amended by striking “and the
15 Secretary of the Treasury,” and inserting “the Secretary
16 of the Treasury, and the Office of Homeland Security”.

17 **SEC. 416. FOREIGN STUDENT MONITORING PROGRAM.**

18 (a) **FULL IMPLEMENTATION AND EXPANSION OF**
19 **FOREIGN STUDENT VISA MONITORING PROGRAM RE-**
20 **QUIRED.**—The Attorney General, in consultation with the
21 Secretary of State, shall fully implement and expand the
22 program established by section 641(a) of the Illegal Immi-
23 gration Reform and Immigrant Responsibility Act of 1996
24 (8 U.S.C. 1372(a)).

1 (b) INTEGRATION WITH PORT OF ENTRY INFORMA-
2 TION.—For each alien with respect to whom information
3 is collected under section 641 of the Illegal Immigration
4 Reform and Immigrant Responsibility Act of 1996 (8
5 U.S.C. 1372), the Attorney General, in consultation with
6 the Secretary of State, shall include information on the
7 date of entry and port of entry.

8 (c) EXPANSION OF SYSTEM TO INCLUDE OTHER AP-
9 PROVED EDUCATIONAL INSTITUTIONS.—Section 641 of
10 the Illegal Immigration Reform and Immigrant Responsi-
11 bility Act of 1996 (8 U.S.C.1372) is amended—

12 (1) in subsection (a)(1), subsection (c)(4)(A),
13 and subsection (d)(1) (in the text above subpara-
14 graph (A)), by inserting “, other approved edu-
15 cational institutions,” after “higher education” each
16 place it appears;

17 (2) in subsections (c)(1)(C), (c)(1)(D), and
18 (d)(1)(A), by inserting “, or other approved edu-
19 cational institution,” after “higher education” each
20 place it appears;

21 (3) in subsections (d)(2), (e)(1), and (e)(2), by
22 inserting “, other approved educational institution,”
23 after “higher education” each place it appears; and

24 (4) in subsection (h), by adding at the end the
25 following new paragraph:

1 “(3) OTHER APPROVED EDUCATIONAL INSTITU-
2 TION.—The term ‘other approved educational insti-
3 tution’ includes any air flight school, language train-
4 ing school, or vocational school, approved by the At-
5 torney General, in consultation with the Secretary of
6 Education and the Secretary of State, under sub-
7 paragraph (F), (J), or (M) of section 101(a)(15) of
8 the Immigration and Nationality Act.”.

9 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
10 authorized to be appropriated to the Department of Jus-
11 tice \$36,800,000 for the period beginning on the date of
12 enactment of this Act and ending on January 1, 2003,
13 to fully implement and expand prior to January 1, 2003,
14 the program established by section 641(a) of the Illegal
15 Immigration Reform and Immigrant Responsibility Act of
16 1996 (8 U.S.C. 1372(a)).

17 **SEC. 417. MACHINE READABLE PASSPORTS.**

18 (a) AUDITS.—The Secretary of State shall, each fis-
19 cal year until September 30, 2007—

20 (1) perform annual audits of the implementa-
21 tion of section 217(c)(2)(B) of the Immigration and
22 Nationality Act (8 U.S.C. 1187(c)(2)(B));

23 (2) check for the implementation of pre-
24 cautionary measures to prevent the counterfeiting
25 and theft of passports; and

1 (3) ascertain that countries designated under
2 the visa waiver program have established a program
3 to develop tamper-resistant passports.

4 (b) PERIODIC REPORTS.—Beginning one year after
5 the date of enactment of this Act, and every year there-
6 after until 2007, the Secretary of State shall submit a re-
7 port to Congress setting forth the findings of the most
8 recent audit conducted under subsection (a)(1).

9 (c) ADVANCING DEADLINE FOR SATISFACTION OF
10 REQUIREMENT.—Section 217(a)(3) of the Immigration
11 and Nationality Act (8 U.S.C. 1187(a)(3)) is amended by
12 striking “2007” and inserting “2003”.

13 (d) WAIVER.—Section 217(a)(3) of the Immigration
14 and Nationality Act (8 U.S.C. 1187(a)(3)) is amended—

15 (1) by striking “On or after” and inserting the
16 following:

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), on or after”; and

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

20 “(B) LIMITED WAIVER AUTHORITY.—For
21 the period beginning October 1, 2003, and end-
22 ing September 30, 2007, the Secretary of State
23 may waive the requirement of subparagraph (A)
24 with respect to nationals of a program country
25 (as designated under subsection (c)), if the Sec-

1 retary of State finds that the program
2 country—

3 “(i) is making progress toward ensur-
4 ing that passports meeting the requirement
5 of subparagraph (A) are generally available
6 to its nationals; and

7 “(ii) has taken appropriate measures
8 to protect against misuse of passports the
9 country has issued that do not meet the re-
10 quirement of subparagraph (A).”.

11 **SEC. 418. PREVENTION OF CONSULATE SHOPPING.**

12 (a) REVIEW.—The Secretary of State shall review
13 how consular officers issue visas to determine if consular
14 shopping is a problem.

15 (b) ACTIONS TO BE TAKEN.—If the Secretary of
16 State determines under subsection (a) that consular shop-
17 ping is a problem, the Secretary shall take steps to address
18 the problem and shall submit a report to Congress describ-
19 ing what action was taken.

20 **Subtitle C—Preservation of Immi-**
21 **gration Benefits for Victims of**
22 **Terrorism**

23 **SEC. 421. SPECIAL IMMIGRANT STATUS.**

24 (a) IN GENERAL.—For purposes of the Immigration
25 and Nationality Act (8 U.S.C. 1101 et seq.), the Attorney

1 General may provide an alien described in subsection (b)
2 with the status of a special immigrant under section
3 101(a)(27) of such Act (8 U.S.C. 1101(a)(27)), if the
4 alien—

5 (1) files with the Attorney General a petition
6 under section 204 of such Act (8 U.S.C. 1154) for
7 classification under section 203(b)(4) of such Act (8
8 U.S.C. 1153(b)(4)); and

9 (2) is otherwise eligible to receive an immigrant
10 visa and is otherwise admissible to the United States
11 for permanent residence, except in determining such
12 admissibility, the grounds for inadmissibility speci-
13 fied in section 212(a)(4) of such Act (8 U.S.C.
14 1182(a)(4)) shall not apply.

15 (b) ALIENS DESCRIBED.—

16 (1) PRINCIPAL ALIENS.—An alien is described
17 in this subsection if—

18 (A) the alien was the beneficiary of—

19 (i) a petition that was filed with the
20 Attorney General on or before September
21 11, 2001—

22 (I) under section 204 of the Im-
23 migration and Nationality Act (8
24 U.S.C. 1154) to classify the alien as
25 a family-sponsored immigrant under

1 section 203(a) of such Act (8 U.S.C.
2 1153(a)) or as an employment-based
3 immigrant under section 203(b) of
4 such Act (8 U.S.C. 1153(b)); or

5 (II) under section 214(d) (8
6 U.S.C. 1184(d)) of such Act to au-
7 thorize the issuance of a non-
8 immigrant visa to the alien under sec-
9 tion 101(a)(15)(K) of such Act (8
10 U.S.C. 1101(a)(15)(K)); or

11 (ii) an application for labor certifi-
12 cation under section 212(a)(5)(A) of such
13 Act (8 U.S.C. 1182(a)(5)(A)) that was
14 filed under regulations of the Secretary of
15 Labor on or before such date; and

16 (B) such petition or application was re-
17 voked or terminated (or otherwise rendered
18 null), either before or after its approval, due to
19 a specified terrorist activity that directly re-
20 sulted in—

21 (i) the death or disability of the peti-
22 tioner, applicant, or alien beneficiary; or

23 (ii) loss of employment due to physical
24 damage to, or destruction of, the business
25 of the petitioner or applicant.

1 (2) SPOUSES AND CHILDREN.—

2 (A) IN GENERAL.—An alien is described in
3 this subsection if—

4 (i) the alien was, on September 10,
5 2001, the spouse or child of a principal
6 alien described in paragraph (1); and

7 (ii) the alien—

8 (I) is accompanying such prin-
9 cipal alien; or

10 (II) is following to join such prin-
11 cipal alien not later than September
12 11, 2003.

13 (B) CONSTRUCTION.—For purposes of
14 construing the terms “accompanying” and “fol-
15 lowing to join” in subparagraph (A)(ii), any
16 death of a principal alien that is described in
17 paragraph (1)(B)(i) shall be disregarded.

18 (3) GRANDPARENTS OF ORPHANS.—An alien is
19 described in this subsection if the alien is a grand-
20 parent of a child, both of whose parents died as a
21 direct result of a specified terrorist activity, if either
22 of such deceased parents was, on September 10,
23 2001, a citizen or national of the United States or
24 an alien lawfully admitted for permanent residence
25 in the United States.

1 (c) PRIORITY DATE.—Immigrant visas made avail-
2 able under this section shall be issued to aliens in the
3 order in which a petition on behalf of each such alien is
4 filed with the Attorney General under subsection (a)(1),
5 except that if an alien was assigned a priority date with
6 respect to a petition described in subsection (b)(1)(A)(i),
7 the alien may maintain that priority date.

8 (d) NUMERICAL LIMITATIONS.—For purposes of the
9 application of sections 201 through 203 of the Immigra-
10 tion and Nationality Act (8 U.S.C. 1151–1153) in any fis-
11 cal year, aliens eligible to be provided status under this
12 section shall be treated as special immigrants described
13 in section 101(a)(27) of such Act (8 U.S.C. 1101(a)(27))
14 who are not described in subparagraph (A), (B), (C), or
15 (K) of such section.

16 **SEC. 422. EXTENSION OF FILING OR REENTRY DEADLINES.**

17 (a) AUTOMATIC EXTENSION OF NONIMMIGRANT STA-
18 TUS.—

19 (1) IN GENERAL.—Notwithstanding section 214
20 of the Immigration and Nationality Act (8 U.S.C.
21 1184), in the case of an alien described in paragraph
22 (2) who was lawfully present in the United States as
23 a nonimmigrant on September 10, 2001, the alien
24 may remain lawfully in the United States in the
25 same nonimmigrant status until the later of—

1 (A) the date such lawful nonimmigrant
2 status otherwise would have terminated if this
3 subsection had not been enacted; or

4 (B) 1 year after the death or onset of dis-
5 ability described in paragraph (2).

6 (2) ALIENS DESCRIBED.—

7 (A) PRINCIPAL ALIENS.—An alien is de-
8 scribed in this paragraph if the alien was dis-
9 abled as a direct result of a specified terrorist
10 activity.

11 (B) SPOUSES AND CHILDREN.—An alien is
12 described in this paragraph if the alien was, on
13 September 10, 2001, the spouse or child of—

14 (i) a principal alien described in sub-
15 paragraph (A); or

16 (ii) an alien who died as a direct re-
17 sult of a specified terrorist activity.

18 (3) AUTHORIZED EMPLOYMENT.—During the
19 period in which a principal alien or alien spouse is
20 in lawful nonimmigrant status under paragraph (1),
21 the alien shall be provided an “employment author-
22 ized” endorsement or other appropriate document
23 signifying authorization of employment not later
24 than 30 days after the alien requests such authoriza-
25 tion.

1 (b) NEW DEADLINES FOR EXTENSION OR CHANGE
2 OF NONIMMIGRANT STATUS.—

3 (1) FILING DELAYS.—In the case of an alien
4 who was lawfully present in the United States as a
5 nonimmigrant on September 10, 2001, if the alien
6 was prevented from filing a timely application for an
7 extension or change of nonimmigrant status as a di-
8 rect result of a specified terrorist activity, the alien's
9 application shall be considered timely filed if it is
10 filed not later than 60 days after it otherwise would
11 have been due.

12 (2) DEPARTURE DELAYS.—In the case of an
13 alien who was lawfully present in the United States
14 as a nonimmigrant on September 10, 2001, if the
15 alien is unable timely to depart the United States as
16 a direct result of a specified terrorist activity, the
17 alien shall not be considered to have been unlawfully
18 present in the United States during the period be-
19 ginning on September 11, 2001, and ending on the
20 date of the alien's departure, if such departure oc-
21 curs on or before November 11, 2001.

22 (3) SPECIAL RULE FOR ALIENS UNABLE TO RE-
23 TURN FROM ABROAD.—

24 (A) PRINCIPAL ALIENS.—In the case of an
25 alien who was in a lawful nonimmigrant status

1 on September 10, 2001, but who was not
2 present in the United States on such date, if
3 the alien was prevented from returning to the
4 United States in order to file a timely applica-
5 tion for an extension of nonimmigrant status as
6 a direct result of a specified terrorist activity—

7 (i) the alien’s application shall be con-
8 sidered timely filed if it is filed not later
9 than 60 days after it otherwise would have
10 been due; and

11 (ii) the alien’s lawful nonimmigrant
12 status shall be considered to continue until
13 the later of—

14 (I) the date such status otherwise
15 would have terminated if this sub-
16 paragraph had not been enacted; or

17 (II) the date that is 60 days
18 after the date on which the applica-
19 tion described in clause (i) otherwise
20 would have been due.

21 (B) SPOUSES AND CHILDREN.—In the case
22 of an alien who is the spouse or child of a prin-
23 cipal alien described in subparagraph (A), if the
24 spouse or child was in a lawful nonimmigrant
25 status on September 10, 2001, the spouse or

1 child may remain lawfully in the United States
2 in the same nonimmigrant status until the later
3 of—

4 (i) the date such lawful nonimmigrant
5 status otherwise would have terminated if
6 this subparagraph had not been enacted;
7 or

8 (ii) the date that is 60 days after the
9 date on which the application described in
10 subparagraph (A) otherwise would have
11 been due.

12 (4) CIRCUMSTANCES PREVENTING TIMELY AC-
13 TION.—

14 (A) FILING DELAYS.—For purposes of
15 paragraph (1), circumstances preventing an
16 alien from timely acting are—

17 (i) office closures;
18 (ii) mail or courier service cessations
19 or delays; and
20 (iii) other closures, cessations, or
21 delays affecting case processing or travel
22 necessary to satisfy legal requirements.

23 (B) DEPARTURE AND RETURN DELAYS.—
24 For purposes of paragraphs (2) and (3), cir-

1 cumstances preventing an alien from timely act-
2 ing are—

3 (i) office closures;

4 (ii) airline flight cessations or delays;

5 and

6 (iii) other closures, cessations, or
7 delays affecting case processing or travel
8 necessary to satisfy legal requirements.

9 (c) DIVERSITY IMMIGRANTS.—

10 (1) WAIVER OF FISCAL YEAR LIMITATION.—

11 Notwithstanding section 203(e)(2) of the Immigra-
12 tion and Nationality Act (8 U.S.C. 1153(e)(2)), an
13 immigrant visa number issued to an alien under sec-
14 tion 203(c) of such Act for fiscal year 2001 may be
15 used by the alien during the period beginning on Oc-
16 tober 1, 2001, and ending on April 1, 2002, if the
17 alien establishes that the alien was prevented from
18 using it during fiscal year 2001 as a direct result of
19 a specified terrorist activity.

20 (2) WORLDWIDE LEVEL.—In the case of an
21 alien entering the United States as a lawful perma-
22 nent resident, or adjusting to that status, under
23 paragraph (1) or (3), the alien shall be counted as
24 a diversity immigrant for fiscal year 2001 for pur-
25 poses of section 201(e) of the Immigration and Na-

1 tionality Act (8 U.S.C. 1151(e)), unless the world-
2 wide level under such section for such year has been
3 exceeded, in which case the alien shall be counted as
4 a diversity immigrant for fiscal year 2002.

5 (3) TREATMENT OF FAMILY MEMBERS OF CER-
6 TAIN ALIENS.—In the case of a principal alien
7 issued an immigrant visa number under section
8 203(c) of the Immigration and Nationality Act (8
9 U.S.C. 1153(c)) for fiscal year 2001, if such prin-
10 cipal alien died as a direct result of a specified ter-
11 rorist activity, the aliens who were, on September
12 10, 2001, the spouse and children of such principal
13 alien shall, until June 30, 2002, if not otherwise en-
14 titled to an immigrant status and the immediate
15 issuance of a visa under subsection (a), (b), or (c)
16 of section 203 of such Act, be entitled to the same
17 status, and the same order of consideration, that
18 would have been provided to such alien spouse or
19 child under section 203(d) of such Act as if the prin-
20 cipal alien were not deceased and as if the spouse
21 or child's visa application had been adjudicated by
22 September 30, 2001.

23 (4) CIRCUMSTANCES PREVENTING TIMELY AC-
24 TION.—For purposes of paragraph (1), cir-

1 cumstances preventing an alien from using an immi-
2 grant visa number during fiscal year 2001 are—

3 (A) office closures;

4 (B) mail or courier service cessations or
5 delays;

6 (C) airline flight cessations or delays; and

7 (D) other closures, cessations, or delays af-
8 fecting case processing or travel necessary to
9 satisfy legal requirements.

10 (d) EXTENSION OF EXPIRATION OF IMMIGRANT
11 VISAS.—

12 (1) IN GENERAL.—Notwithstanding the limita-
13 tions under section 221(e) of the Immigration and
14 Nationality Act (8 U.S.C. 1201(e)), in the case of
15 any immigrant visa issued to an alien that expires
16 or expired before December 31, 2001, if the alien
17 was unable to effect entry into the United States as
18 a direct result of a specified terrorist activity, then
19 the period of validity of the visa is extended until
20 December 31, 2001, unless a longer period of valid-
21 ity is otherwise provided under this subtitle.

22 (2) CIRCUMSTANCES PREVENTING ENTRY.—For
23 purposes of this subsection, circumstances pre-
24 venting an alien from effecting entry into the United
25 States are—

- 1 (A) office closures;
2 (B) airline flight cessations or delays; and
3 (C) other closures, cessations, or delays af-
4 fecting case processing or travel necessary to
5 satisfy legal requirements.

6 (e) GRANTS OF PAROLE EXTENDED.—

7 (1) IN GENERAL.—In the case of any parole
8 granted by the Attorney General under section
9 212(d)(5) of the Immigration and Nationality Act (8
10 U.S.C. 1182(d)(5)) that expires on a date on or
11 after September 11, 2001, if the alien beneficiary of
12 the parole was unable to return to the United States
13 prior to the expiration date as a direct result of a
14 specified terrorist activity, the parole is deemed ex-
15 tended for an additional 90 days.

16 (2) CIRCUMSTANCES PREVENTING RETURN.—
17 For purposes of this subsection, circumstances pre-
18 venting an alien from timely returning to the United
19 States are—

- 20 (A) office closures;
21 (B) airline flight cessations or delays; and
22 (C) other closures, cessations, or delays af-
23 fecting case processing or travel necessary to
24 satisfy legal requirements.

1 (f) VOLUNTARY DEPARTURE.—Notwithstanding sec-
2 tion 240B of the Immigration and Nationality Act (8
3 U.S.C. 1229c), if a period for voluntary departure under
4 such section expired during the period beginning on Sep-
5 tember 11, 2001, and ending on October 11, 2001, such
6 voluntary departure period is deemed extended for an ad-
7 ditional 30 days.

8 **SEC. 423. HUMANITARIAN RELIEF FOR CERTAIN SURVIVING**
9 **SPOUSES AND CHILDREN.**

10 (a) TREATMENT AS IMMEDIATE RELATIVES.—

11 (1) SPOUSES.—Notwithstanding the second
12 sentence of section 201(b)(2)(A)(i) of the Immigra-
13 tion and Nationality Act (8 U.S.C.
14 1151(b)(2)(A)(i)), in the case of an alien who was
15 the spouse of a citizen of the United States at the
16 time of the citizen's death and was not legally sepa-
17 rated from the citizen at the time of the citizen's
18 death, if the citizen died as a direct result of a speci-
19 fied terrorist activity, the alien (and each child of
20 the alien) shall be considered, for purposes of section
21 201(b) of such Act, to remain an immediate relative
22 after the date of the citizen's death, but only if the
23 alien files a petition under section 204(a)(1)(A)(ii)
24 of such Act within 2 years after such date and only
25 until the date the alien remarries. For purposes of

1 such section 204(a)(1)(A)(ii), an alien granted relief
2 under the preceding sentence shall be considered an
3 alien spouse described in the second sentence of sec-
4 tion 201(b)(2)(A)(i) of such Act.

5 (2) CHILDREN.—

6 (A) IN GENERAL.—In the case of an alien
7 who was the child of a citizen of the United
8 States at the time of the citizen’s death, if the
9 citizen died as a direct result of a specified ter-
10 rorist activity, the alien shall be considered, for
11 purposes of section 201(b) of the Immigration
12 and Nationality Act (8 U.S.C. 1151(b)), to re-
13 main an immediate relative after the date of the
14 citizen’s death (regardless of changes in age or
15 marital status thereafter), but only if the alien
16 files a petition under subparagraph (B) within
17 2 years after such date.

18 (B) PETITIONS.—An alien described in
19 subparagraph (A) may file a petition with the
20 Attorney General for classification of the alien
21 under section 201(b)(2)(A)(i) of the Immigra-
22 tion and Nationality Act (8 U.S.C.
23 1151(b)(2)(A)(i)). For purposes of such Act,
24 such a petition shall be considered a petition

1 filed under section 204(a)(1)(A) of such Act (8
2 U.S.C. 1154(a)(1)(A)).

3 (b) SPOUSES, CHILDREN, UNMARRIED SONS AND
4 DAUGHTERS OF LAWFUL PERMANENT RESIDENT
5 ALIENS.—

6 (1) IN GENERAL.—Any spouse, child, or unmar-
7 ried son or daughter of an alien described in para-
8 graph (3) who is included in a petition for classifica-
9 tion as a family-sponsored immigrant under section
10 203(a)(2) of the Immigration and Nationality Act (8
11 U.S.C. 1153(a)(2)) that was filed by such alien be-
12 fore September 11, 2001, shall be considered (if the
13 spouse, child, son, or daughter has not been admit-
14 ted or approved for lawful permanent residence by
15 such date) a valid petitioner for preference status
16 under such section with the same priority date as
17 that assigned prior to the death described in para-
18 graph (3)(A). No new petition shall be required to
19 be filed. Such spouse, child, son, or daughter may be
20 eligible for deferred action and work authorization.

21 (2) SELF-PETITIONS.—Any spouse, child, or
22 unmarried son or daughter of an alien described in
23 paragraph (3) who is not a beneficiary of a petition
24 for classification as a family-sponsored immigrant
25 under section 203(a)(2) of the Immigration and Na-

1 tionality Act may file a petition for such classifica-
2 tion with the Attorney General, if the spouse, child,
3 son, or daughter was present in the United States
4 on September 11, 2001. Such spouse, child, son, or
5 daughter may be eligible for deferred action and
6 work authorization.

7 (3) ALIENS DESCRIBED.—An alien is described
8 in this paragraph if the alien—

9 (A) died as a direct result of a specified
10 terrorist activity; and

11 (B) on the day of such death, was lawfully
12 admitted for permanent residence in the United
13 States.

14 (c) APPLICATIONS FOR ADJUSTMENT OF STATUS BY
15 SURVIVING SPOUSES AND CHILDREN OF EMPLOYMENT-
16 BASED IMMIGRANTS.—

17 (1) IN GENERAL.—Any alien who was, on Sep-
18 tember 10, 2001, the spouse or child of an alien de-
19 scribed in paragraph (2), and who applied for ad-
20 justment of status prior to the death described in
21 paragraph (2)(A), may have such application adju-
22 dicated as if such death had not occurred.

23 (2) ALIENS DESCRIBED.—An alien is described
24 in this paragraph if the alien—

1 (A) died as a direct result of a specified
2 terrorist activity; and

3 (B) on the day before such death, was—

4 (i) an alien lawfully admitted for per-
5 manent residence in the United States by
6 reason of having been allotted a visa under
7 section 203(b) of the Immigration and Na-
8 tionality Act (8 U.S.C. 1153(b)); or

9 (ii) an applicant for adjustment of
10 status to that of an alien described in
11 clause (i), and admissible to the United
12 States for permanent residence.

13 (d) WAIVER OF PUBLIC CHARGE GROUNDS.—In de-
14 termining the admissibility of any alien accorded an immi-
15 gration benefit under this section, the grounds for inad-
16 missibility specified in section 212(a)(4) of the Immigra-
17 tion and Nationality Act (8 U.S.C. 1182(a)(4)) shall not
18 apply.

19 **SEC. 424. “AGE-OUT” PROTECTION FOR CHILDREN.**

20 For purposes of the administration of the Immigra-
21 tion and Nationality Act (8 U.S.C. 1101 et seq.), in the
22 case of an alien—

23 (1) whose 21st birthday occurs in September
24 2001, and who is the beneficiary of a petition or ap-
25 plication filed under such Act on or before Sep-

1 tember 11, 2001, the alien shall be considered to be
2 a child for 90 days after the alien’s 21st birthday
3 for purposes of adjudicating such petition or applica-
4 tion; and

5 (2) whose 21st birthday occurs after September
6 2001, and who is the beneficiary of a petition or ap-
7 plication filed under such Act on or before Sep-
8 tember 11, 2001, the alien shall be considered to be
9 a child for 45 days after the alien’s 21st birthday
10 for purposes of adjudicating such petition or applica-
11 tion.

12 **SEC. 425. TEMPORARY ADMINISTRATIVE RELIEF.**

13 The Attorney General, for humanitarian purposes or
14 to ensure family unity, may provide temporary administra-
15 tive relief to any alien who—

16 (1) was lawfully present in the United States on
17 September 10, 2001;

18 (2) was on such date the spouse, parent, or
19 child of an individual who died or was disabled as
20 a direct result of a specified terrorist activity; and

21 (3) is not otherwise entitled to relief under any
22 other provision of this subtitle.

1 **SEC. 426. EVIDENCE OF DEATH, DISABILITY, OR LOSS OF**
2 **EMPLOYMENT.**

3 (a) IN GENERAL.—The Attorney General shall estab-
4 lish appropriate standards for evidence demonstrating, for
5 purposes of this subtitle, that any of the following oc-
6 curred as a direct result of a specified terrorist activity:

7 (1) Death.

8 (2) Disability.

9 (3) Loss of employment due to physical damage
10 to, or destruction of, a business.

11 (b) WAIVER OF REGULATIONS.—The Attorney Gen-
12 eral shall carry out subsection (a) as expeditiously as pos-
13 sible. The Attorney General is not required to promulgate
14 regulations prior to implementing this subtitle.

15 **SEC. 427. NO BENEFITS TO TERRORISTS OR FAMILY MEM-**
16 **BERS OF TERRORISTS.**

17 Notwithstanding any other provision of this subtitle,
18 nothing in this subtitle shall be construed to provide any
19 benefit or relief to—

20 (1) any individual culpable for a specified ter-
21 rorist activity; or

22 (2) any family member of any individual de-
23 scribed in paragraph (1).

24 **SEC. 428. DEFINITIONS.**

25 (a) APPLICATION OF IMMIGRATION AND NATION-
26 ALITY ACT PROVISIONS.—Except as otherwise specifically

1 provided in this subtitle, the definitions used in the Immi-
2 gration and Nationality Act (excluding the definitions ap-
3 plicable exclusively to title III of such Act) shall apply in
4 the administration of this subtitle.

5 (b) SPECIFIED TERRORIST ACTIVITY.—For purposes
6 of this subtitle, the term “specified terrorist activity”
7 means any terrorist activity conducted against the Govern-
8 ment or the people of the United States on September 11,
9 2001.

10 **TITLE V—REMOVING OBSTA-**
11 **CLES TO INVESTIGATING**
12 **TERRORISM**

13 **SEC. 501. ATTORNEY GENERAL’S AUTHORITY TO PAY RE-**
14 **WARDS TO COMBAT TERRORISM.**

15 (a) PAYMENT OF REWARDS TO COMBAT TER-
16 RORISM.—Funds available to the Attorney General may
17 be used for the payment of rewards pursuant to public
18 advertisements for assistance to the Department of Jus-
19 tice to combat terrorism and defend the Nation against
20 terrorist acts, in accordance with procedures and regula-
21 tions established or issued by the Attorney General.

22 (b) CONDITIONS.—In making rewards under this
23 section—

1 (1) no such reward of \$250,000 or more may
2 be made or offered without the personal approval of
3 either the Attorney General or the President;

4 (2) the Attorney General shall give written no-
5 tice to the Chairmen and ranking minority members
6 of the Committees on Appropriations and the Judici-
7 ary of the Senate and of the House of Representa-
8 tives not later than 30 days after the approval of a
9 reward under paragraph (1);

10 (3) any executive agency or military department
11 (as defined, respectively, in sections 105 and 102 of
12 title 5, United States Code) may provide the Attor-
13 ney General with funds for the payment of rewards;

14 (4) neither the failure of the Attorney General
15 to authorize a payment nor the amount authorized
16 shall be subject to judicial review; and

17 (5) no such reward shall be subject to any per-
18 or aggregate reward spending limitation established
19 by law, unless that law expressly refers to this sec-
20 tion, and no reward paid pursuant to any such offer
21 shall count toward any such aggregate reward
22 spending limitation.

1 **SEC. 502. SECRETARY OF STATE'S AUTHORITY TO PAY RE-**
2 **WARDS.**

3 Section 36 of the State Department Basic Authorities
4 Act of 1956 (Public Law 885, August 1, 1956; 22 U.S.C.
5 2708) is amended—

6 (1) in subsection (b)—

7 (A) in paragraph (4), by striking “or” at
8 the end;

9 (B) in paragraph (5), by striking the pe-
10 riod at the end and inserting “, including by
11 dismantling an organization in whole or signifi-
12 cant part; or”; and

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

14 “(6) the identification or location of an indi-
15 vidual who holds a key leadership position in a ter-
16 rorist organization.”;

17 (2) in subsection (d), by striking paragraphs
18 (2) and (3) and redesignating paragraph (4) as
19 paragraph (2); and

20 (3) in subsection (e)(1), by inserting “, except
21 as personally authorized by the Secretary of State if
22 he determines that offer or payment of an award of
23 a larger amount is necessary to combat terrorism or
24 defend the Nation against terrorist acts.” after
25 “\$5,000,000”.

1 **SEC. 503. DNA IDENTIFICATION OF TERRORISTS AND**
2 **OTHER VIOLENT OFFENDERS.**

3 Section 3(d)(2) of the DNA Analysis Backlog Elimination Act of 2000 (42 U.S.C. 14135a(d)(2)) is amended
4 to read as follows:
5

6 “(2) In addition to the offenses described in
7 paragraph (1), the following offenses shall be treated
8 for purposes of this section as qualifying Federal offenses, as determined by the Attorney General:
9

10 “(A) Any offense listed in section
11 2332b(g)(5)(B) of title 18, United States Code.

12 “(B) Any crime of violence (as defined in
13 section 16 of title 18, United States Code).

14 “(C) Any attempt or conspiracy to commit
15 any of the above offenses.”.

16 **SEC. 504. COORDINATION WITH LAW ENFORCEMENT.**

17 (a) INFORMATION ACQUIRED FROM AN ELECTRONIC
18 SURVEILLANCE.—Section 106 of the Foreign Intelligence
19 Surveillance Act of 1978 (50 U.S.C. 1806), is amended
20 by adding at the end the following:

21 “(k)(1) Federal officers who conduct electronic surveillance to acquire foreign intelligence information under
22 this title may consult with Federal law enforcement officers to coordinate efforts to investigate or protect
23 against—
24
25

1 “(A) actual or potential attack or other grave
2 hostile acts of a foreign power or an agent of a for-
3 eign power;

4 “(B) sabotage or international terrorism by a
5 foreign power or an agent of a foreign power; or

6 “(C) clandestine intelligence activities by an in-
7 telligence service or network of a foreign power or by
8 an agent of a foreign power.

9 “(2) Coordination authorized under paragraph (1)
10 shall not preclude the certification required by section
11 104(a)(7)(B) or the entry of an order under section 105.”.

12 (b) INFORMATION ACQUIRED FROM A PHYSICAL
13 SEARCH.—Section 305 of the Foreign Intelligence Surveil-
14 lance Act of 1978 (50 U.S.C. 1825) is amended by adding
15 at the end the following:

16 “(k)(1) Federal officers who conduct physical
17 searches to acquire foreign intelligence information under
18 this title may consult with Federal law enforcement offi-
19 cers to coordinate efforts to investigate or protect
20 against—

21 “(A) actual or potential attack or other grave
22 hostile acts of a foreign power or an agent of a for-
23 eign power;

24 “(B) sabotage or international terrorism by a
25 foreign power or an agent of a foreign power; or

1 “(C) clandestine intelligence activities by an in-
2 telligence service or network of a foreign power or by
3 an agent of a foreign power.

4 “(2) Coordination authorized under paragraph (1)
5 shall not preclude the certification required by section
6 303(a)(7) or the entry of an order under section 304.”.

7 **SEC. 505. MISCELLANEOUS NATIONAL SECURITY AUTHORI-**
8 **TIES.**

9 (a) TELEPHONE TOLL AND TRANSACTIONAL
10 RECORDS.—Section 2709(b) of title 18, United States
11 Code, is amended—

12 (1) in the matter preceding paragraph (1), by
13 inserting “at Bureau headquarters or a Special
14 Agent in Charge in a Bureau field office designated
15 by the Director” after “Assistant Director”;

16 (2) in paragraph (1)—

17 (A) by striking “in a position not lower
18 than Deputy Assistant Director”; and

19 (B) by striking “made that” and all that
20 follows and inserting the following: “made that
21 the name, address, length of service, and toll
22 billing records sought are relevant to an author-
23 ized investigation to protect against inter-
24 national terrorism or clandestine intelligence ac-
25 tivities, provided that such an investigation of a

1 United States person is not conducted solely on
2 the basis of activities protected by the first
3 amendment to the Constitution of the United
4 States; and”;

5 (3) in paragraph (2)—

6 (A) by striking “in a position not lower
7 than Deputy Assistant Director”;

8 (B) by striking “made that” and all that
9 follows and inserting the following: “made that
10 the information sought is relevant to an author-
11 ized investigation to protect against inter-
12 national terrorism or clandestine intelligence ac-
13 tivities, provided that such an investigation of a
14 United States person is not conducted solely
15 upon the basis of activities protected by the
16 first amendment to the Constitution of the
17 United States.”.

18 (b) FINANCIAL RECORDS.—Section 1114(a)(5)(A) of
19 the Right to Financial Privacy Act of 1978 (12 U.S.C.
20 3414(a)(5)(A)) is amended—

21 (1) by inserting “in a position not lower than
22 Deputy Assistant Director at Bureau headquarters
23 or a Special Agent in Charge in a Bureau field office
24 designated by the Director” after “designee”;

1 (2) by striking “sought” and all that follows
2 and inserting “sought for foreign counter intel-
3 ligence purposes to protect against international ter-
4 rorism or clandestine intelligence activities, provided
5 that such an investigation of a United States person
6 is not conducted solely upon the basis of activities
7 protected by the first amendment to the Constitution
8 of the United States.”.

9 (c) CONSUMER REPORTS.—Section 624 of the Fair
10 Credit Reporting Act (15 U.S.C. 1681u) is amended—

11 (1) in subsection (a)—

12 (A) by inserting “in a position not lower
13 than Deputy Assistant Director at Bureau
14 headquarters or a Special Agent in Charge of a
15 Bureau field office designated by the Director”
16 after “designee” the first place it appears; and

17 (B) by striking “in writing that” and all
18 that follows through the end and inserting the
19 following: “in writing, that such information is
20 sought for the conduct of an authorized inves-
21 tigation to protect against international ter-
22 rorism or clandestine intelligence activities, pro-
23 vided that such an investigation of a United
24 States person is not conducted solely upon the
25 basis of activities protected by the first amend-

1 ment to the Constitution of the United
2 States.”;

3 (2) in subsection (b)—

4 (A) by inserting “in a position not lower
5 than Deputy Assistant Director at Bureau
6 headquarters or a Special Agent in Charge of a
7 Bureau field office designated by the Director”
8 after “designee” the first place it appears; and

9 (B) by striking “in writing that” and all
10 that follows through the end and inserting the
11 following: “in writing that such information is
12 sought for the conduct of an authorized inves-
13 tigation to protect against international ter-
14 rorism or clandestine intelligence activities, pro-
15 vided that such an investigation of a United
16 States person is not conducted solely upon the
17 basis of activities protected by the first amend-
18 ment to the Constitution of the United
19 States.”; and

20 (3) in subsection (c)—

21 (A) by inserting “in a position not lower
22 than Deputy Assistant Director at Bureau
23 headquarters or a Special Agent in Charge in a
24 Bureau field office designated by the Director”
25 after “designee of the Director”; and

1 (B) by striking “in camera that” and all
2 that follows through “States.” and inserting the
3 following: “in camera that the consumer report
4 is sought for the conduct of an authorized in-
5 vestigation to protect against international ter-
6 rorism or clandestine intelligence activities, pro-
7 vided that such an investigation of a United
8 States person is not conducted solely upon the
9 basis of activities protected by the first amend-
10 ment to the Constitution of the United
11 States.”.

12 **SEC. 506. EXTENSION OF SECRET SERVICE JURISDICTION.**

13 (a) CONCURRENT JURISDICTION UNDER 18 U.S.C.
14 1030.—Section 1030(d) of title 18, United States Code,
15 is amended to read as follows:

16 “(d)(1) The United States Secret Service shall, in ad-
17 dition to any other agency having such authority, have the
18 authority to investigate offenses under this section.

19 “(2) The Federal Bureau of Investigation shall have
20 primary authority to investigate offenses under subsection
21 (a)(1) for any cases involving espionage, foreign counter-
22 intelligence, information protected against unauthorized
23 disclosure for reasons of national defense or foreign rela-
24 tions, or Restricted Data (as that term is defined in sec-
25 tion 11y of the Atomic Energy Act of 1954 (42 U.S.C.

1 2014(y)), except for offenses affecting the duties of the
2 United States Secret Service pursuant to section 3056(a)
3 of this title.

4 “(3) Such authority shall be exercised in accordance
5 with an agreement which shall be entered into by the Sec-
6 retary of the Treasury and the Attorney General.”.

7 (b) REAUTHORIZATION OF JURISDICTION UNDER 18
8 U.S.C. 1344.—Section 3056(b)(3) of title 18, United
9 States Code, is amended by striking “credit and debit card
10 frauds, and false identification documents or devices” and
11 inserting “access device frauds, false identification docu-
12 ments or devices, and any fraud or other criminal or un-
13 lawful activity in or against any federally insured financial
14 institution”.

15 **SEC. 507. DISCLOSURE OF EDUCATIONAL RECORDS.**

16 Section 444 of the General Education Provisions Act
17 (20 U.S.C. 1232g), is amended by adding after subsection
18 (i) a new subsection (j) to read as follows:

19 “(j) INVESTIGATION AND PROSECUTION OF TER-
20 RORISM.—

21 “(1) IN GENERAL.—Notwithstanding sub-
22 sections (a) through (i) or any provision of State
23 law, the Attorney General (or any Federal officer or
24 employee, in a position not lower than an Assistant
25 Attorney General, designated by the Attorney Gen-

1 eral) may submit a written application to a court of
2 competent jurisdiction for an ex parte order requir-
3 ing an educational agency or institution to permit
4 the Attorney General (or his designee) to—

5 “(A) collect education records in the pos-
6 session of the educational agency or institution
7 that are relevant to an authorized investigation
8 or prosecution of an offense listed in section
9 2332b(g)(5)(B) of title 18 United States Code,
10 or an act of domestic or international terrorism
11 as defined in section 2331 of that title; and

12 “(B) for official purposes related to the in-
13 vestigation or prosecution of an offense de-
14 scribed in paragraph (1)(A), retain, dissemi-
15 nate, and use (including as evidence at trial or
16 in other administrative or judicial proceedings)
17 such records, consistent with such guidelines as
18 the Attorney General, after consultation with
19 the Secretary, shall issue to protect confiden-
20 tiality.

21 “(2) APPLICATION AND APPROVAL.—

22 “(A) IN GENERAL.—An application under
23 paragraph (1) shall certify that there are spe-
24 cific and articulable facts giving reason to be-
25 lieve that the education records are likely to

1 contain information described in paragraph
2 (1)(A).

3 “(B) The court shall issue an order de-
4 scribed in paragraph (1) if the court finds that
5 the application for the order includes the certifi-
6 cation described in subparagraph (A).

7 “(3) PROTECTION OF EDUCATIONAL AGENCY
8 OR INSTITUTION.—An educational agency or institu-
9 tion that, in good faith, produces education records
10 in accordance with an order issued under this sub-
11 section shall not be liable to any person for that pro-
12 duction.

13 “(4) RECORD-KEEPING.—Subsection (b)(4)
14 does not apply to education records subject to a
15 court order under this subsection.”.

16 **SEC. 508. DISCLOSURE OF INFORMATION FROM NCES SUR-**
17 **VEYS.**

18 Section 408 of the National Education Statistics Act
19 of 1994 (20 U.S.C. 9007), is amended by adding after
20 subsection (b) a new subsection (c) to read as follows:

21 “(c) INVESTIGATION AND PROSECUTION OF TER-
22 RORISM.—

23 “(1) IN GENERAL.—Notwithstanding sub-
24 sections (a) and (b), the Attorney General (or any
25 Federal officer or employee, in a position not lower

1 than an Assistant Attorney General, designated by
2 the Attorney General) may submit a written applica-
3 tion to a court of competent jurisdiction for an ex
4 parte order requiring the Secretary to permit the At-
5 torney General (or his designee) to—

6 “(A) collect reports, records, and informa-
7 tion (including individually identifiable informa-
8 tion) in the possession of the center that are
9 relevant to an authorized investigation or pros-
10 ecution of an offense listed in section
11 2332b(g)(5)(B) of title 18, United States Code,
12 or an act of domestic or international terrorism
13 as defined in section 2331 of that title; and

14 “(B) for official purposes related to the in-
15 vestigation or prosecution of an offense de-
16 scribed in paragraph (1)(A), retain, dissemi-
17 nate, and use (including as evidence at trial or
18 in other administrative or judicial proceedings)
19 such information, consistent with such guide-
20 lines as the Attorney General, after consultation
21 with the Secretary, shall issue to protect con-
22 fidentiality.

23 “(2) APPLICATION AND APPROVAL.—

24 “(A) IN GENERAL.—An application under
25 paragraph (1) shall certify that there are spe-

1 cific and articulable facts giving reason to be-
 2 lieve that the information sought is described in
 3 paragraph (1)(A).

4 “(B) The court shall issue an order de-
 5 scribed in paragraph (1) if the court finds that
 6 the application for the order includes the certifi-
 7 cation described in subparagraph (A).

8 “(3) PROTECTION.—An officer or employee
 9 of the Department who, in good faith, produces
 10 information in accordance with an order issued
 11 under this subsection does not violate sub-
 12 section (b)(2) and shall not be liable to any per-
 13 son for that production.”.

14 **TITLE VI—PROVIDING FOR VIC-**
 15 **TIMS OF TERRORISM, PUBLIC**
 16 **SAFETY OFFICERS, AND**
 17 **THEIR FAMILIES**

18 **Subtitle A—Aid to Families of**
 19 **Public Safety Officers**

20 **SEC. 611. EXPEDITED PAYMENT FOR PUBLIC SAFETY OFFI-**
 21 **CERS INVOLVED IN THE PREVENTION, INVES-**
 22 **TIGATION, RESCUE, OR RECOVERY EFFORTS**
 23 **RELATED TO A TERRORIST ATTACK.**

24 (a) IN GENERAL.—Notwithstanding the limitations
 25 of subsection (b) of section 1201 or the provisions of sub-

1 sections (c), (d), and (e) of such section or section 1202
2 of title I of the Omnibus Crime Control and Safe Streets
3 Act of 1968 (42 U.S.C. 3796, 3796a), upon certification
4 (containing identification of all eligible payees of benefits
5 pursuant to section 1201 of such Act) by a public agency
6 that a public safety officer employed by such agency was
7 killed or suffered a catastrophic injury producing perma-
8 nent and total disability as a direct and proximate result
9 of a personal injury sustained in the line of duty as de-
10 scribed in section 1201 of such Act in connection with pre-
11 vention, investigation, rescue, or recovery efforts related
12 to a terrorist attack, the Director of the Bureau of Justice
13 Assistance shall authorize payment to qualified bene-
14 ficiaries, said payment to be made not later than 30 days
15 after receipt of such certification, benefits described under
16 subpart 1 of part L of such Act (42 U.S.C. 3796 et seq.).

17 (b) DEFINITIONS.—For purposes of this section, the
18 terms “catastrophic injury”, “public agency”, and “public
19 safety officer” have the same meanings given such terms
20 in section 1204 of title I of the Omnibus Crime Control
21 and Safe Streets Act of 1968 (42 U.S.C. 3796b).

1 **SEC. 612. TECHNICAL CORRECTION WITH RESPECT TO EX-**
2 **PEDITED PAYMENTS FOR HEROIC PUBLIC**
3 **SAFETY OFFICERS.**

4 Section 1 of Public Law 107-37 (an Act to provide
5 for the expedited payment of certain benefits for a public
6 safety officer who was killed or suffered a catastrophic in-
7 jury as a direct and proximate result of a personal injury
8 sustained in the line of duty in connection with the ter-
9 rorist attacks of September 11, 2001) is amended by—

10 (1) inserting before “by a” the following: “(con-
11 taining identification of all eligible payees of benefits
12 pursuant to section 1201)”;

13 (2) inserting “producing permanent and total
14 disability” after “suffered a catastrophic injury”;
15 and

16 (3) striking “1201(a)” and inserting “1201”.

17 **SEC. 613. PUBLIC SAFETY OFFICERS BENEFIT PROGRAM**
18 **PAYMENT INCREASE.**

19 (a) **PAYMENTS.**—Section 1201(a) of the Omnibus
20 Crime Control and Safe Streets Act of 1968 (42 U.S.C.
21 3796) is amended by striking “\$100,000” and inserting
22 “\$250,000”.

23 (b) **APPLICABILITY.**—The amendment made by sub-
24 section (a) shall apply to any death or disability occurring
25 on or after January 1, 2001.

1 **SEC. 614. OFFICE OF JUSTICE PROGRAMS.**

2 Section 112 of title I of section 101(b) of division
3 A of Public Law 105–277 and section 108(a) of appendix
4 A of Public Law 106–113 (113 Stat. 1501A–20) are
5 amended—

6 (1) after “that Office”, each place it occurs, by
7 inserting “(including, notwithstanding any contrary
8 provision of law (unless the same should expressly
9 refer to this section), any organization that admin-
10 isters any program established in title 1 of Public
11 Law 90–351)”; and

12 (2) by inserting “functions, including any”
13 after “all”.

14 **Subtitle B—Amendments to the**
15 **Victims of Crime Act of 1984**

16 **SEC. 621. CRIME VICTIMS FUND.**

17 (a) DEPOSIT OF GIFTS IN THE FUND.—Section
18 1402(b) of the Victims of Crime Act of 1984 (42 U.S.C.
19 10601(b)) is amended—

20 (1) in paragraph (3), by striking “and” at the
21 end;

22 (2) in paragraph (4), by striking the period at
23 the end and inserting “; and”; and

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

25 “(5) any gifts, bequests, or donations to the
26 Fund from private entities or individuals.”.

1 (b) FORMULA FOR FUND DISTRIBUTIONS.—Section
2 1402(c) of the Victims of Crime Act of 1984 (42 U.S.C.
3 10601(c)) is amended to read as follows:

4 “(c) FUND DISTRIBUTION; RETENTION OF SUMS IN
5 FUND; AVAILABILITY FOR EXPENDITURE WITHOUT FIS-
6 CAL YEAR LIMITATION.—

7 “(1) Subject to the availability of money in the
8 Fund, in each fiscal year, beginning with fiscal year
9 2003, the Director shall distribute not less than 90
10 percent nor more than 110 percent of the amount
11 distributed from the Fund in the previous fiscal
12 year, except the Director may distribute up to 120
13 percent of the amount distributed in the previous
14 fiscal year in any fiscal year that the total amount
15 available in the Fund is more than 2 times the
16 amount distributed in the previous fiscal year.

17 “(2) In each fiscal year, the Director shall dis-
18 tribute amounts from the Fund in accordance with
19 subsection (d). All sums not distributed during a fis-
20 cal year shall remain in reserve in the Fund to be
21 distributed during a subsequent fiscal year. Notwith-
22 standing any other provision of law, all sums depos-
23 ited in the Fund that are not distributed shall re-
24 main in reserve in the Fund for obligation in future
25 fiscal years, without fiscal year limitation.”.

1 (c) ALLOCATION OF FUNDS FOR COSTS AND
2 GRANTS.—Section 1402(d)(4) of the Victims of Crime Act
3 of 1984 (42 U.S.C. 10601(d)(4)) is amended—

4 (1) by striking “deposited in” and inserting “to
5 be distributed from”;

6 (2) in subparagraph (A), by striking “48.5”
7 and inserting “47.5”;

8 (3) in subparagraph (B), by striking “48.5”
9 and inserting “47.5”; and

10 (4) in subparagraph (C), by striking “3” and
11 inserting “5”.

12 (d) ANTITERRORISM EMERGENCY RESERVE.—Sec-
13 tion 1402(d)(5) of the Victims of Crime Act of 1984 (42
14 U.S.C. 10601(d)(5)) is amended to read as follows:

15 “(5)(A) In addition to the amounts distributed
16 under paragraphs (2), (3), and (4), the Director
17 may set aside up to \$50,000,000 from the amounts
18 transferred to the Fund in response to the airplane
19 hijackings and terrorist acts that occurred on Sep-
20 tember 11, 2001, as an antiterrorism emergency re-
21 serve. The Director may replenish any amounts ex-
22 pended from such reserve in subsequent fiscal years
23 by setting aside up to 5 percent of the amounts re-
24 maining in the Fund in any fiscal year after distrib-

1 uting amounts under paragraphs (2), (3) and (4).
2 Such reserve shall not exceed \$50,000,000.

3 “(B) The antiterrorism emergency reserve re-
4 ferred to in subparagraph (A) may be used for sup-
5 plemental grants under section 1404B and to pro-
6 vide compensation to victims of international ter-
7 rorism under section 1404C.

8 “(C) Amounts in the antiterrorism emergency
9 reserve established pursuant to subparagraph (A)
10 may be carried over from fiscal year to fiscal year.
11 Notwithstanding subsection (c) and section 619 of
12 the Departments of Commerce, Justice, and State,
13 the Judiciary, and Related Agencies Appropriations
14 Act, 2001 (and any similar limitation on Fund obli-
15 gations in any future Act, unless the same should
16 expressly refer to this section), any such amounts
17 carried over shall not be subject to any limitation on
18 obligations from amounts deposited to or available in
19 the Fund.”.

20 (e) VICTIMS OF SEPTEMBER 11, 2001.—Amounts
21 transferred to the Crime Victims Fund for use in respond-
22 ing to the airplane hijackings and terrorist acts (including
23 any related search, rescue, relief, assistance, or other simi-
24 lar activities) that occurred on September 11, 2001, shall
25 not be subject to any limitation on obligations from

1 amounts deposited to or available in the Fund,
2 notwithstanding—

3 (1) section 619 of the Departments of Com-
4 merce, Justice, and State, the Judiciary, and Re-
5 lated Agencies Appropriations Act, 2001, and any
6 similar limitation on Fund obligations in such Act
7 for Fiscal Year 2002; and

8 (2) subsections (c) and (d) of section 1402 of
9 the Victims of Crime Act of 1984 (42 U.S.C.
10 10601).

11 **SEC. 622. CRIME VICTIM COMPENSATION.**

12 (a) ALLOCATION OF FUNDS FOR COMPENSATION
13 AND ASSISTANCE.—Paragraphs (1) and (2) of section
14 1403(a) of the Victims of Crime Act of 1984 (42 U.S.C.
15 10602(a)) are amended by inserting “in fiscal year 2002
16 and of 60 percent in subsequent fiscal years” after “40
17 percent”.

18 (b) LOCATION OF COMPENSABLE CRIME.—Section
19 1403(b)(6)(B) of the Victims of Crime Act of 1984 (42
20 U.S.C. 10602(b)(6)(B)) is amended by striking “are out-
21 side the United States (if the compensable crime is ter-
22 rorism, as defined in section 2331 of title 18), or”.

23 (c) RELATIONSHIP OF CRIME VICTIM COMPENSA-
24 TION TO MEANS-TESTED FEDERAL BENEFIT PRO-
25 GRAMS.—Section 1403 of the Victims of Crime Act of

1 1984 (42 U.S.C. 10602) is amended by striking subsection
2 (c) and inserting the following:

3 “(c) EXCLUSION FROM INCOME, RESOURCES, AND
4 ASSETS FOR PURPOSES OF MEANS TESTS.—Notwith-
5 standing any other law (other than title IV of Public Law
6 107–42), for the purpose of any maximum allowed income,
7 resource, or asset eligibility requirement in any Federal,
8 State, or local government program using Federal funds
9 that provides medical or other assistance (or payment or
10 reimbursement of the cost of such assistance), any amount
11 of crime victim compensation that the applicant receives
12 through a crime victim compensation program under this
13 section shall not be included in the income, resources, or
14 assets of the applicant, nor shall that amount reduce the
15 amount of the assistance available to the applicant from
16 Federal, State, or local government programs using Fed-
17 eral funds, unless the total amount of assistance that the
18 applicant receives from all such programs is sufficient to
19 fully compensate the applicant for losses suffered as a re-
20 sult of the crime.”.

21 (d) DEFINITIONS OF “COMPENSABLE CRIME” AND
22 “STATE”.—Section 1403(d) of the Victims of Crime Act
23 of 1984 (42 U.S.C. 10602(d)) is amended—

24 (1) in paragraph (3), by striking “crimes in-
25 volving terrorism,”; and

1 (2) in paragraph (4), by inserting “the United
2 States Virgin Islands,” after “the Commonwealth of
3 Puerto Rico,”.

4 (e) RELATIONSHIP OF ELIGIBLE CRIME VICTIM COM-
5 PENSATION PROGRAMS TO THE SEPTEMBER 11TH VICTIM
6 COMPENSATION FUND.—

7 (1) IN GENERAL.—Section 1403(e) of the Vic-
8 tims of Crime Act of 1984 (42 U.S.C. 10602(e)) is
9 amended by inserting “including the program estab-
10 lished under title IV of Public Law 107–42,” after
11 “Federal program,”.

12 (2) COMPENSATION.—With respect to any com-
13 pensation payable under title IV of Public Law 107–
14 42, the failure of a crime victim compensation pro-
15 gram, after the effective date of final regulations
16 issued pursuant to section 407 of Public Law 107–
17 42, to provide compensation otherwise required pur-
18 suant to section 1403 of the Victims of Crime Act
19 of 1984 (42 U.S.C. 10602) shall not render that
20 program ineligible for future grants under the Vic-
21 tims of Crime Act of 1984.

22 **SEC. 623. CRIME VICTIM ASSISTANCE.**

23 (a) ASSISTANCE FOR VICTIMS IN THE DISTRICT OF
24 COLUMBIA, PUERTO RICO, AND OTHER TERRITORIES
25 AND POSSESSIONS.—Section 1404(a) of the Victims of

1 Crime Act of 1984 (42 U.S.C. 10603(a)) is amended by
2 adding at the end the following:

3 “(6) An agency of the Federal Government per-
4 forming local law enforcement functions in and on
5 behalf of the District of Columbia, the Common-
6 wealth of Puerto Rico, the United States Virgin Is-
7 lands, or any other territory or possession of the
8 United States may qualify as an eligible crime victim
9 assistance program for the purpose of grants under
10 this subsection, or for the purpose of grants under
11 subsection (c)(1).”.

12 (b) PROHIBITION ON DISCRIMINATION AGAINST CER-
13 TAIN VICTIMS.—Section 1404(b)(1) of the Victims of
14 Crime Act of 1984 (42 U.S.C. 10603(b)(1)) is amended—

15 (1) in subparagraph (D), by striking “and” at
16 the end;

17 (2) in subparagraph (E), by striking the period
18 at the end and inserting “; and”; and

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

20 “(F) does not discriminate against victims
21 because they disagree with the way the State is
22 prosecuting the criminal case.”.

23 (c) GRANTS FOR PROGRAM EVALUATION AND COM-
24 PLIANCE EFFORTS.—Section 1404(c)(1)(A) of the Vic-
25 tims of Crime Act of 1984 (42 U.S.C. 10603(c)(1)(A))

1 is amended by inserting “, program evaluation, compliance
2 efforts,” after “demonstration projects”.

3 (d) ALLOCATION OF DISCRETIONARY GRANTS.—Sec-
4 tion 1404(c)(2) of the Victims of Crime Act of 1984 (42
5 U.S.C. 10603(c)(2)) is amended—

6 (1) in subparagraph (A), by striking “not more
7 than” and inserting “not less than”; and

8 (2) in subparagraph (B), by striking “not less
9 than” and inserting “not more than”.

10 (e) FELLOWSHIPS AND CLINICAL INTERNSHIPS.—
11 Section 1404(c)(3) of the Victims of Crime Act of 1984
12 (42 U.S.C. 10603(c)(3)) is amended—

13 (1) in subparagraph (C), by striking “and” at
14 the end;

15 (2) in subparagraph (D), by striking the period
16 at the end and inserting “; and”; and

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

18 “(E) use funds made available to the Di-
19 rector under this subsection—

20 “(i) for fellowships and clinical intern-
21 ships; and

22 “(ii) to carry out programs of training
23 and special workshops for the presentation
24 and dissemination of information resulting

1 from demonstrations, surveys, and special
2 projects.”.

3 **SEC. 624. VICTIMS OF TERRORISM.**

4 (a) COMPENSATION AND ASSISTANCE TO VICTIMS OF
5 DOMESTIC TERRORISM.—Section 1404B(b) of the Victims
6 of Crime Act of 1984 (42 U.S.C. 10603b(b)) is amended
7 to read as follows:

8 “(b) VICTIMS OF TERRORISM WITHIN THE UNITED
9 STATES.—The Director may make supplemental grants as
10 provided in section 1402(d)(5) to States for eligible crime
11 victim compensation and assistance programs, and to vic-
12 tim service organizations, public agencies (including Fed-
13 eral, State, or local governments) and nongovernmental
14 organizations that provide assistance to victims of crime,
15 which shall be used to provide emergency relief, including
16 crisis response efforts, assistance, compensation, training
17 and technical assistance, and ongoing assistance, including
18 during any investigation or prosecution, to victims of ter-
19 rorist acts or mass violence occurring within the United
20 States.”.

21 (b) ASSISTANCE TO VICTIMS OF INTERNATIONAL
22 TERRORISM.—Section 1404B(a)(1) of the Victims of
23 Crime Act of 1984 (42 U.S.C. 10603b(a)(1)) is amended
24 by striking “who are not persons eligible for compensation

1 under title VIII of the Omnibus Diplomatic Security and
2 Antiterrorism Act of 1986”.

3 (c) COMPENSATION TO VICTIMS OF INTERNATIONAL
4 TERRORISM.—Section 1404C(b) of the Victims of Crime
5 of 1984 (42 U.S.C. 10603c(b)) is amended by adding at
6 the end the following: “The amount of compensation
7 awarded to a victim under this subsection shall be reduced
8 by any amount that the victim received in connection with
9 the same act of international terrorism under title VIII
10 of the Omnibus Diplomatic Security and Antiterrorism
11 Act of 1986.”.

12 **TITLE VII—INCREASED INFOR-**
13 **MATION SHARING FOR CRIT-**
14 **ICAL INFRASTRUCTURE PRO-**
15 **TECTION**

16 **SEC. 701. EXPANSION OF REGIONAL INFORMATION SHAR-**
17 **ING SYSTEM TO FACILITATE FEDERAL-STATE-**
18 **LOCAL LAW ENFORCEMENT RESPONSE RE-**
19 **LATED TO TERRORIST ATTACKS.**

20 Section 1301 of title I of the Omnibus Crime Control
21 and Safe Streets Act of 1968 (42 U.S.C. 3796h) is
22 amended—

23 (1) in subsection (a), by inserting “and ter-
24 rorist conspiracies and activities” after “activities”;

25 (2) in subsection (b)—

1 (A) in paragraph (3), by striking “and”
2 after the semicolon;

3 (B) by redesignating paragraph (4) as
4 paragraph (5);

5 (C) by inserting after paragraph (3) the
6 following:

7 “(4) establishing and operating secure informa-
8 tion sharing systems to enhance the investigation
9 and prosecution abilities of participating enforce-
10 ment agencies in addressing multi-jurisdictional ter-
11 rorist conspiracies and activities; and (5)”;

12 (3) by inserting at the end the following:

13 “(d) AUTHORIZATION OF APPROPRIATION TO THE
14 BUREAU OF JUSTICE ASSISTANCE.—There are authorized
15 to be appropriated to the Bureau of Justice Assistance
16 to carry out this section \$50,000,000 for fiscal year 2002
17 and \$100,000,000 for fiscal year 2003.”.

18 **TITLE VIII—STRENGTHENING**
19 **THE CRIMINAL LAWS**
20 **AGAINST TERRORISM**

21 **SEC. 801. TERRORIST ATTACKS AND OTHER ACTS OF VIO-**
22 **LENCE AGAINST MASS TRANSPORTATION**
23 **SYSTEMS.**

24 Chapter 97 of title 18, United States Code, is amend-
25 ed by adding at the end the following:

1 **“§ 1993. Terrorist attacks and other acts of violence**
2 **against mass transportation systems**

3 “(a) GENERAL PROHIBITIONS.—Whoever willfully—

4 “(1) wrecks, derails, sets fire to, or disables a
5 mass transportation vehicle or ferry;

6 “(2) places or causes to be placed any biological
7 agent or toxin for use as a weapon, destructive sub-
8 stance, or destructive device in, upon, or near a
9 mass transportation vehicle or ferry, without pre-
10 viously obtaining the permission of the mass trans-
11 portation provider, and with intent to endanger the
12 safety of any passenger or employee of the mass
13 transportation provider, or with a reckless disregard
14 for the safety of human life;

15 “(3) sets fire to, or places any biological agent
16 or toxin for use as a weapon, destructive substance,
17 or destructive device in, upon, or near any garage,
18 terminal, structure, supply, or facility used in the
19 operation of, or in support of the operation of, a
20 mass transportation vehicle or ferry, without pre-
21 viously obtaining the permission of the mass trans-
22 portation provider, and knowing or having reason to
23 know such activity would likely derail, disable, or
24 wreck a mass transportation vehicle or ferry used,
25 operated, or employed by the mass transportation
26 provider;

1 “(4) removes appurtenances from, damages, or
2 otherwise impairs the operation of a mass transpor-
3 tation signal system, including a train control sys-
4 tem, centralized dispatching system, or rail grade
5 crossing warning signal without authorization from
6 the mass transportation provider;

7 “(5) interferes with, disables, or incapacitates
8 any dispatcher, driver, captain, or person while they
9 are employed in dispatching, operating, or maintain-
10 ing a mass transportation vehicle or ferry, with in-
11 tent to endanger the safety of any passenger or em-
12 ployee of the mass transportation provider, or with
13 a reckless disregard for the safety of human life;

14 “(6) commits an act, including the use of a
15 dangerous weapon, with the intent to cause death or
16 serious bodily injury to an employee or passenger of
17 a mass transportation provider or any other person
18 while any of the foregoing are on the property of a
19 mass transportation provider;

20 “(7) conveys or causes to be conveyed false in-
21 formation, knowing the information to be false, con-
22 cerning an attempt or alleged attempt being made or
23 to be made, to do any act which would be a crime
24 prohibited by this subsection; or

1 “(8) attempts, threatens, or conspires to do any
2 of the aforesaid acts,
3 shall be fined under this title or imprisoned not more than
4 twenty years, or both, if such act is committed, or in the
5 case of a threat or conspiracy such act would be com-
6 mitted, on, against, or affecting a mass transportation
7 provider engaged in or affecting interstate or foreign com-
8 merce, or if in the course of committing such act, that
9 person travels or communicates across a State line in
10 order to commit such act, or transports materials across
11 a State line in aid of the commission of such act.

12 “(b) AGGRAVATED OFFENSE.—Whoever commits an
13 offense under subsection (a) in a circumstance in which—

14 “(1) the mass transportation vehicle or ferry
15 was carrying a passenger at the time of the offense;
16 or

17 “(2) the offense has resulted in the death of
18 any person,

19 shall be guilty of an aggravated form of the offense and
20 shall be fined under this title or imprisoned for a term
21 of years or for life, or both.

22 “(c) DEFINITIONS.—In this section—

23 “(1) the term ‘biological agent’ has the meaning
24 given to that term in section 178(1) of this title;

1 “(2) the term ‘dangerous weapon’ has the
2 meaning given to that term in section 930 of this
3 title;

4 “(3) the term ‘destructive device’ has the mean-
5 ing given to that term in section 921(a)(4) of this
6 title;

7 “(4) the term ‘destructive substance’ has the
8 meaning given to that term in section 31 of this
9 title;

10 “(5) the term ‘mass transportation’ has the
11 meaning given to that term in section 5302(a)(7) of
12 title 49, United States Code, except that the term
13 shall include schoolbus, charter, and sightseeing
14 transportation;

15 “(6) the term ‘serious bodily injury’ has the
16 meaning given to that term in section 1365 of this
17 title;

18 “(7) the term ‘State’ has the meaning given to
19 that term in section 2266 of this title; and

20 “(8) the term ‘toxin’ has the meaning given to
21 that term in section 178(2) of this title.”.

22 (f) CONFORMING AMENDMENT.—The analysis of
23 chapter 97 of title 18, United States Code, is amended
24 by adding at the end:

“1993. Terrorist attacks and other acts of violence against mass transportation systems.”.

1 **SEC. 802. DEFINITION OF DOMESTIC TERRORISM.**

2 (a) DOMESTIC TERRORISM DEFINED.—Section 2331
3 of title 18, United States Code, is amended—

4 (1) in paragraph (1)(B)(iii), by striking “by as-
5 sassination or kidnapping” and inserting “by mass
6 destruction, assassination, or kidnapping”;

7 (2) in paragraph (3), by striking “and”;

8 (3) in paragraph (4), by striking the period at
9 the end and inserting “; and”; and

10 (4) by adding at the end the following:

11 “(5) the term ‘domestic terrorism’ means activi-
12 ties that—

13 “(A) involve acts dangerous to human life
14 that are a violation of the criminal laws of the
15 United States or of any State;

16 “(B) appear to be intended—

17 “(i) to intimidate or coerce a civilian
18 population;

19 “(ii) to influence the policy of a gov-
20 ernment by intimidation or coercion; or

21 “(iii) to affect the conduct of a gov-
22 ernment by mass destruction, assassina-
23 tion, or kidnapping; and

24 “(C) occur primarily within the territorial
25 jurisdiction of the United States.”.

1 (b) CONFORMING AMENDMENT.—Section 3077(1) of
2 title 18, United States Code, is amended to read as fol-
3 lows:

4 “(1) ‘act of terrorism’ means an act of domestic
5 or international terrorism as defined in section
6 2331;”.

7 **SEC. 803. PROHIBITION AGAINST HARBORING TERRORISTS.**

8 (a) IN GENERAL.—Chapter 113B of title 18, United
9 States Code, is amended by adding after section 2338 the
10 following new section:

11 **“§ 2339. Harboring or concealing terrorists**

12 “(a) Whoever harbors or conceals any person who he
13 knows, or has reasonable grounds to believe, has com-
14 mitted, or is about to commit, an offense under section
15 32 (relating to destruction of aircraft or aircraft facilities),
16 section 175 (relating to biological weapons), section 229
17 (relating to chemical weapons), section 831 (relating to
18 nuclear materials), paragraph (2) or (3) of section 844(f)
19 (relating to arson and bombing of government property
20 risking or causing injury or death), section 1366(a) (relat-
21 ing to the destruction of an energy facility), section 2280
22 (relating to violence against maritime navigation), section
23 2332a (relating to weapons of mass destruction), or sec-
24 tion 2332b (relating to acts of terrorism transcending na-
25 tional boundaries) of this title, section 236(a) (relating to

1 sabotage of nuclear facilities or fuel) of the Atomic Energy
2 Act of 1954 (42 U.S.C. 2284(a)), or section 46502 (relat-
3 ing to aircraft piracy) of title 49, shall be fined under this
4 title or imprisoned not more than ten years, or both.”.

5 “(b) A violation of this section may be prosecuted in
6 any Federal judicial district in which the underlying of-
7 fense was committed, or in any other Federal judicial dis-
8 trict as provided by law.”.

9 (b) TECHNICAL AMENDMENT.—The chapter analysis
10 for chapter 113B of title 18, United States Code, is
11 amended by inserting after the item for section 2338 the
12 following:

“2339. Harboring or concealing terrorists.”.

13 **SEC. 804. JURISDICTION OVER CRIMES COMMITTED AT U.S.**
14 **FACILITIES ABROAD.**

15 Section 7 of title 18, United States Code, is amended
16 by adding at the end the following:

17 “(9) With respect to offenses committed by or
18 against a national of the United States as that term
19 is used in section 101 of the Immigration and Na-
20 tionality Act—

21 “(A) the premises of United States diplo-
22 matic, consular, military or other United States
23 Government missions or entities in foreign
24 States, including the buildings, parts of build-
25 ings, and land appurtenant or ancillary thereto

1 or used for purposes of those missions or enti-
2 ties, irrespective of ownership; and

3 “(B) residences in foreign States and the
4 land appurtenant or ancillary thereto, irrespec-
5 tive of ownership, used for purposes of those
6 missions or entities or used by United States
7 personnel assigned to those missions or entities.

8 Nothing in this paragraph shall be deemed to super-
9 sede any treaty or international agreement with
10 which this paragraph conflicts. This paragraph does
11 not apply with respect to an offense committed by
12 a person described in section 3261(a) of this title.”.

13 **SEC. 805. MATERIAL SUPPORT FOR TERRORISM.**

14 (a) IN GENERAL.—Section 2339A of title 18, United
15 States Code, is amended—

16 (1) in subsection (a)—

17 (A) by striking “, within the United
18 States,”;

19 (B) by inserting “229,” after “175,”;

20 (C) by inserting “1993,” after “1992,”;

21 (D) by inserting “, section 236 of the
22 Atomic Energy Act of 1954 (42 U.S.C. 2284),”
23 after “of this title”;

24 (E) by inserting “or 60123(b)” after
25 “46502”; and

1 (F) by inserting at the end the following:

2 “A violation of this section may be prosecuted
3 in any Federal judicial district in which the un-
4 derlying offense was committed, or in any other
5 Federal judicial district as provided by law.”;

6 and

7 (2) in subsection (b)—

8 (A) by striking “or other financial securi-
9 ties” and inserting “or monetary instruments
10 or financial securities”; and

11 (B) by inserting “expert advice or assist-
12 ance,” after “training,”.

13 (b) TECHNICAL AMENDMENT.—Section
14 1956(c)(7)(D) of title 18, United States Code, is amended
15 by inserting “or 2339B” after “2339A”.

16 **SEC. 806. ASSETS OF TERRORIST ORGANIZATIONS.**

17 Section 981(a)(1) of title 18, United States Code, is
18 amended by inserting at the end the following:

19 “(G) All assets, foreign or domestic—

20 “(i) of any individual, entity, or organiza-
21 tion engaged in planning or perpetrating any
22 act of domestic or international terrorism (as
23 defined in section 2331) against the United
24 States, citizens or residents of the United
25 States, or their property, and all assets, foreign

1 or domestic, affording any person a source of
2 influence over any such entity or organization;

3 “(ii) acquired or maintained by any person
4 with the intent and for the purpose of sup-
5 porting, planning, conducting, or concealing an
6 act of domestic or international terrorism (as
7 defined in section 2331) against the United
8 States, citizens or residents of the United
9 States, or their property; or

10 “(iii) derived from, involved in, or used or
11 intended to be used to commit any act of do-
12 mestic or international terrorism (as defined in
13 section 2331) against the United States, citi-
14 zens or residents of the United States, or their
15 property.”.

16 **SEC. 807. TECHNICAL CLARIFICATION RELATING TO PROVI-**
17 **SION OF MATERIAL SUPPORT TO TER-**
18 **RORISM.**

19 No provision of the Trade Sanctions Reform and Ex-
20 port Enhancement Act of 2000 (title IX of Public Law
21 106–387) shall be construed to limit or otherwise affect
22 section 2339A or 2339B of title 18, United States Code.

23 **SEC. 808. DEFINITION OF FEDERAL CRIME OF TERRORISM.**

24 Section 2332b of title 18, United States Code, is
25 amended—

1 (1) in subsection (f), by inserting “and any vio-
2 lation of section 351(e), 844(e), 844(f)(1), 956(b),
3 1361, 1366(b), 1366(c), 1751(e), 2152, or 2156 of
4 this title,” before “and the Secretary”; and

5 (2) in subsection (g)(5)(B), by striking clauses
6 (i) through (iii) and inserting the following:

7 “(i) section 32 (relating to destruction
8 of aircraft or aircraft facilities), 37 (relat-
9 ing to violence at international airports),
10 81 (relating to arson within special mari-
11 time and territorial jurisdiction), 175 or
12 175b (relating to biological weapons), 229
13 (relating to chemical weapons), subsection
14 (a), (b), (c), or (d) of section 351 (relating
15 to congressional, cabinet, and Supreme
16 Court assassination and kidnaping), 831
17 (relating to nuclear materials), 842(m) or
18 (n) (relating to plastic explosives),
19 844(f)(2) or (3) (relating to arson and
20 bombing of Government property risking
21 or causing death), 844(i) (relating to arson
22 and bombing of property used in interstate
23 commerce), 930(c) (relating to killing or
24 attempted killing during an attack on a
25 Federal facility with a dangerous weapon),

1 956(a)(1) (relating to conspiracy to mur-
2 der, kidnap, or maim persons abroad),
3 1030(a)(1) (relating to protection of com-
4 puters), 1030(a)(5)(A)(i) resulting in dam-
5 age as defined in 1030(a)(5)(B)(ii)
6 through (v) (relating to protection of com-
7 puters), 1114 (relating to killing or at-
8 tempted killing of officers and employees of
9 the United States), 1116 (relating to mur-
10 der or manslaughter of foreign officials, of-
11 ficial guests, or internationally protected
12 persons), 1203 (relating to hostage tak-
13 ing), 1362 (relating to destruction of com-
14 munication lines, stations, or systems),
15 1363 (relating to injury to buildings or
16 property within special maritime and terri-
17 torial jurisdiction of the United States),
18 1366(a) (relating to destruction of an en-
19 ergy facility), 1751(a), (b), (c), or (d) (re-
20 lating to Presidential and Presidential staff
21 assassination and kidnaping), 1992 (relat-
22 ing to wrecking trains), 1993 (relating to
23 terrorist attacks and other acts of violence
24 against mass transportation systems),
25 2155 (relating to destruction of national

1 defense materials, premises, or utilities),
2 2280 (relating to violence against maritime
3 navigation), 2281 (relating to violence
4 against maritime fixed platforms), 2332
5 (relating to certain homicides and other vi-
6 olence against United States nationals oc-
7 ccurring outside of the United States),
8 2332a (relating to use of weapons of mass
9 destruction), 2332b (relating to acts of ter-
10 rorism transcending national boundaries),
11 2339 (relating to harboring terrorists),
12 2339A (relating to providing material sup-
13 port to terrorists), 2339B (relating to pro-
14 viding material support to terrorist organi-
15 zations), or 2340A (relating to torture) of
16 this title;

17 “(ii) section 236 (relating to sabotage
18 of nuclear facilities or fuel) of the Atomic
19 Energy Act of 1954 (42 U.S.C. 2284); or

20 “(iii) section 46502 (relating to air-
21 craft piracy), the second sentence of sec-
22 tion 46504 (relating to assault on a flight
23 crew with a dangerous weapon), section
24 46505(b)(3) or (c) (relating to explosive or
25 incendiary devices, or endangerment of

1 human life by means of weapons, on air-
2 craft), section 46506 if homicide or at-
3 tempted homicide is involved (relating to
4 application of certain criminal laws to acts
5 on aircraft), or section 60123(b) (relating
6 to destruction of interstate gas or haz-
7 ardous liquid pipeline facility) of title 49.”.

8 **SEC. 809. NO STATUTE OF LIMITATION FOR CERTAIN TER-**
9 **RORISM OFFENSES.**

10 (a) IN GENERAL.—Section 3286 of title 18, United
11 States Code, is amended to read as follows:

12 **“§ 3286. Extension of statute of limitation for certain**
13 **terrorism offenses**

14 “(a) EIGHT-YEAR LIMITATION.—Notwithstanding
15 section 3282, no person shall be prosecuted, tried, or pun-
16 ished for any noncapital offense involving a violation of
17 any provision listed in section 2332b(g)(5)(B), or a viola-
18 tion of section 112, 351(e), 1361, or 1751(e) of this title,
19 or section 46504, 46505, or 46506 of title 49, unless the
20 indictment is found or the information is instituted within
21 8 years after the offense was committed. Notwithstanding
22 the preceding sentence, offenses listed in section 3295 are
23 subject to the statute of limitations set forth in that sec-
24 tion.

1 “(b) NO LIMITATION.—Notwithstanding any other
2 law, an indictment may be found or an information insti-
3 tuted at any time without limitation for any offense listed
4 in section 2332b(g)(5)(B), if the commission of such of-
5 fense resulted in, or created a foreseeable risk of, death
6 or serious bodily injury to another person.”.

7 (b) APPLICATION.—The amendments made by this
8 section shall apply to the prosecution of any offense com-
9 mitted before, on, or after the date of the enactment of
10 this section.

11 **SEC. 810. ALTERNATE MAXIMUM PENALTIES FOR TER-**
12 **RORISM OFFENSES.**

13 (a) ARSON.—Section 81 of title 18, United States
14 Code, is amended in the second undesignated paragraph
15 by striking “not more than twenty years” and inserting
16 “for any term of years or for life”.

17 (b) DESTRUCTION OF AN ENERGY FACILITY.—Sec-
18 tion 1366 of title 18, United States Code, is amended—

19 (1) in subsection (a), by striking “ten” and in-
20 sserting “20”; and

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

22 “(d) Whoever is convicted of a violation of subsection
23 (a) or (b) that has resulted in the death of any person
24 shall be subject to imprisonment for any term of years
25 or life.”.

1 (c) MATERIAL SUPPORT TO TERRORISTS.—Section
2 2339A(a) of title 18, United States Code, is amended—

3 (1) by striking “10” and inserting “15”; and

4 (2) by striking the period and inserting “, and,
5 if the death of any person results, shall be impris-
6 oned for any term of years or for life.”.

7 (d) MATERIAL SUPPORT TO DESIGNATED FOREIGN
8 TERRORIST ORGANIZATIONS.—Section 2339B(a)(1) of
9 title 18, United States Code, is amended—

10 (1) by striking “10” and inserting “15”; and

11 (2) by striking the period after “or both” and
12 inserting “, and, if the death of any person results,
13 shall be imprisoned for any term of years or for
14 life.”.

15 (e) DESTRUCTION OF NATIONAL-DEFENSE MATE-
16 RIALS.—Section 2155(a) of title 18, United States Code,
17 is amended—

18 (1) by striking “ten” and inserting “20”; and

19 (2) by striking the period at the end and insert-
20 ing “, and, if death results to any person, shall be
21 imprisoned for any term of years or for life.”.

22 (f) SABOTAGE OF NUCLEAR FACILITIES OR FUEL.—
23 Section 236 of the Atomic Energy Act of 1954 (42 U.S.C.
24 2284), is amended—

1 (1) by striking “ten” each place it appears and
2 inserting “20”;

3 (2) in subsection (a), by striking the period at
4 the end and inserting “, and, if death results to any
5 person, shall be imprisoned for any term of years or
6 for life.”; and

7 (3) in subsection (b), by striking the period at
8 the end and inserting “, and, if death results to any
9 person, shall be imprisoned for any term of years or
10 for life.”.

11 (g) SPECIAL AIRCRAFT JURISDICTION OF THE
12 UNITED STATES.—Section 46505(c) of title 49, United
13 States Code, is amended—

14 (1) by striking “15” and inserting “20”; and

15 (2) by striking the period at the end and insert-
16 ing “, and, if death results to any person, shall be
17 imprisoned for any term of years or for life.”.

18 (h) DAMAGING OR DESTROYING AN INTERSTATE GAS
19 OR HAZARDOUS LIQUID PIPELINE FACILITY.—Section
20 60123(b) of title 49, United States Code, is amended—

21 (1) by striking “15” and inserting “20”; and

22 (2) by striking the period at the end and insert-
23 ing “, and, if death results to any person, shall be
24 imprisoned for any term of years or for life.”.

1 **SEC. 811. PENALTIES FOR TERRORIST CONSPIRACIES.**

2 (a) ARSON.—Section 81 of title 18, United States
3 Code, is amended in the first undesignated paragraph—

4 (1) by striking “, or attempts to set fire to or
5 burn”; and

6 (2) by inserting “or attempts or conspires to do
7 such an act,” before “shall be imprisoned”.

8 (b) KILLINGS IN FEDERAL FACILITIES.—Section
9 930(c) of title 18, United States Code, is amended—

10 (1) by striking “or attempts to kill”;

11 (2) by inserting “or attempts or conspires to do
12 such an act,” before “shall be punished”; and

13 (3) by striking “and 1113” and inserting
14 “1113, and 1117”.

15 (c) COMMUNICATIONS LINES, STATIONS, OR SYS-
16 TEMS.—Section 1362 of title 18, United States Code, is
17 amended in the first undesignated paragraph—

18 (1) by striking “or attempts willfully or mali-
19 ciously to injure or destroy”; and

20 (2) by inserting “or attempts or conspires to do
21 such an act,” before “shall be fined”.

22 (d) BUILDINGS OR PROPERTY WITHIN SPECIAL
23 MARITIME AND TERRITORIAL JURISDICTION.—Section
24 1363 of title 18, United States Code, is amended—

25 (1) by striking “or attempts to destroy or in-
26 jure”; and

1 (2) by inserting “or attempts or conspires to do
2 such an act,” before “shall be fined” the first place
3 it appears.

4 (e) WRECKING TRAINS.—Section 1992 of title 18,
5 United States Code, is amended by adding at the end the
6 following:

7 “(c) A person who conspires to commit any offense
8 defined in this section shall be subject to the same pen-
9 alties (other than the penalty of death) as the penalties
10 prescribed for the offense, the commission of which was
11 the object of the conspiracy.”.

12 (f) MATERIAL SUPPORT TO TERRORISTS.—Section
13 2339A of title 18, United States Code, is amended by in-
14 serting “or attempts or conspires to do such an act,” be-
15 fore “shall be fined”.

16 (g) TORTURE.—Section 2340A of title 18, United
17 States Code, is amended by adding at the end the fol-
18 lowing:

19 “(c) CONSPIRACY.—A person who conspires to com-
20 mit an offense under this section shall be subject to the
21 same penalties (other than the penalty of death) as the
22 penalties prescribed for the offense, the commission of
23 which was the object of the conspiracy.”.

1 (h) SABOTAGE OF NUCLEAR FACILITIES OR FUEL.—
2 Section 236 of the Atomic Energy Act of 1954 (42 U.S.C.
3 2284), is amended—

4 (1) in subsection (a)—

5 (A) by striking “, or who intentionally and
6 willfully attempts to destroy or cause physical
7 damage to”;

8 (B) in paragraph (4), by striking the pe-
9 riod at the end and inserting a comma; and

10 (C) by inserting “or attempts or conspires
11 to do such an act,” before “shall be fined”; and

12 (2) in subsection (b)—

13 (A) by striking “or attempts to cause”;
14 and

15 (B) by inserting “or attempts or conspires
16 to do such an act,” before “shall be fined”.

17 (i) INTERFERENCE WITH FLIGHT CREW MEMBERS
18 AND ATTENDANTS.—Section 46504 of title 49, United
19 States Code, is amended by inserting “or attempts or con-
20 spires to do such an act,” before “shall be fined”.

21 (j) SPECIAL AIRCRAFT JURISDICTION OF THE
22 UNITED STATES.—Section 46505 of title 49, United
23 States Code, is amended by adding at the end the fol-
24 lowing:

1 “(e) CONSPIRACY.—If two or more persons conspire
2 to violate subsection (b) or (c), and one or more of such
3 persons do any act to effect the object of the conspiracy,
4 each of the parties to such conspiracy shall be punished
5 as provided in such subsection.”.

6 (k) DAMAGING OR DESTROYING AN INTERSTATE GAS
7 OR HAZARDOUS LIQUID PIPELINE FACILITY.—Section
8 60123(b) of title 49, United States Code, is amended—

9 (1) by striking “, or attempting to damage or
10 destroy,”; and

11 (2) by inserting “, or attempting or conspiring
12 to do such an act,” before “shall be fined”.

13 **SEC. 812. POST-RELEASE SUPERVISION OF TERRORISTS.**

14 Section 3583 of title 18, United States Code, is
15 amended by adding at the end the following:

16 “(j) SUPERVISED RELEASE TERMS FOR TERRORISM
17 PREDICATES.—Notwithstanding subsection (b), the au-
18 thorized term of supervised release for any offense listed
19 in section 2332b(g)(5)(B), the commission of which re-
20 sulted in, or created a foreseeable risk of, death or serious
21 bodily injury to another person, is any term of years or
22 life.”.

1 **SEC. 813. INCLUSION OF ACTS OF TERRORISM AS RACKET-**
2 **EERING ACTIVITY.**

3 Section 1961(1) of title 18, United States Code, is
4 amended—

5 (1) by striking “or (F)” and inserting “(F)”;

6 and

7 (2) by inserting before the semicolon at the end
8 the following: “, or (G) any act that is indictable
9 under any provision listed in section
10 2332b(g)(5)(B)”.

11 **SEC. 814. DETERRENCE AND PREVENTION OF**
12 **CYBERTERRORISM.**

13 (a) CLARIFICATION OF PROTECTION OF PROTECTED
14 COMPUTERS.—Section 1030(a)(5) of title 18, United
15 States Code, is amended—

16 (1) by inserting “(i)” after “(A)”;

17 (2) by redesignating subparagraphs (B) and
18 (C) as clauses (ii) and (iii), respectively;

19 (3) by adding “and” at the end of clause (iii),
20 as so redesignated; and

21 (4) by adding at the end the following:

22 “(B) by conduct described in clause (i),
23 (ii), or (iii) of subparagraph (A), caused (or, in
24 the case of an attempted offense, would, if com-
25 pleted, have caused)—

1 “(i) loss to 1 or more persons during
2 any 1-year period (and, for purposes of an
3 investigation, prosecution, or other pro-
4 ceeding brought by the United States only,
5 loss resulting from a related course of con-
6 duct affecting 1 or more other protected
7 computers) aggregating at least \$5,000 in
8 value;

9 “(ii) the modification or impairment,
10 or potential modification or impairment, of
11 the medical examination, diagnosis, treat-
12 ment, or care of 1 or more individuals;

13 “(iii) physical injury to any person;

14 “(iv) a threat to public health or safe-
15 ty; or

16 “(v) damage affecting a computer sys-
17 tem used by or for a government entity in
18 furtherance of the administration of jus-
19 tice, national defense, or national secu-
20 rity;”.

21 (b) PROTECTION FROM EXTORTION.—Section
22 1030(a)(7) of title 18, United States Code, is amended
23 by striking “, firm, association, educational institution, fi-
24 nancial institution, government entity, or other legal enti-
25 ty,”.

1 (c) PENALTIES.—Section 1030(c) of title 18, United
2 States Code, is amended—

3 (1) in paragraph (2)—

4 (A) in subparagraph (A) —

5 (i) by inserting “except as provided in
6 subparagraph (B),” before “a fine”;

7 (ii) by striking “(a)(5)(C)” and in-
8 serting “(a)(5)(A)(iii)”;

9 (iii) by striking “and” at the end;

10 (B) in subparagraph (B), by inserting “or
11 an attempt to commit an offense punishable
12 under this subparagraph,” after “subsection
13 (a)(2),” in the matter preceding clause (i); and

14 (C) in subparagraph (C), by striking
15 “and” at the end;

16 (2) in paragraph (3)—

17 (A) by striking “, (a)(5)(A), (a)(5)(B),”
18 both places it appears; and

19 (B) by striking “(a)(5)(C)” and inserting
20 “(a)(5)(A)(iii)”;

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

22 “(4)(A) a fine under this title, imprisonment
23 for not more than 10 years, or both, in the case of
24 an offense under subsection (a)(5)(A)(i), or an at-

1 tempt to commit an offense punishable under that
2 subsection;

3 “(B) a fine under this title, imprisonment for
4 not more than 5 years, or both, in the case of an
5 offense under subsection (a)(5)(A)(ii), or an attempt
6 to commit an offense punishable under that sub-
7 section;

8 “(C) a fine under this title, imprisonment for
9 not more than 20 years, or both, in the case of an
10 offense under subsection (a)(5)(A)(i) or
11 (a)(5)(A)(ii), or an attempt to commit an offense
12 punishable under either subsection, that occurs after
13 a conviction for another offense under this section.”.

14 (d) DEFINITIONS.—Section 1030(e) of title 18,
15 United States Code is amended—

16 (1) in paragraph (2)(B), by inserting “, includ-
17 ing a computer located outside the United States
18 that is used in a manner that affects interstate or
19 foreign commerce or communication of the United
20 States” before the semicolon;

21 (2) in paragraph (7), by striking “and” at the
22 end;

23 (3) by striking paragraph (8) and inserting the
24 following:

1 “(8) the term ‘damage’ means any impairment
2 to the integrity or availability of data, a program, a
3 system, or information;”;

4 (4) in paragraph (9), by striking the period at
5 the end and inserting a semicolon; and

6 (5) by adding at the end the following:

7 “(10) the term ‘conviction’ shall include a con-
8 viction under the law of any State for a crime pun-
9 ishable by imprisonment for more than 1 year, an
10 element of which is unauthorized access, or exceed-
11 ing authorized access, to a computer;

12 “(11) the term ‘loss’ means any reasonable cost
13 to any victim, including the cost of responding to an
14 offense, conducting a damage assessment, and re-
15 storing the data, program, system, or information to
16 its condition prior to the offense, and any revenue
17 lost, cost incurred, or other consequential damages
18 incurred because of interruption of service; and

19 “(12) the term ‘person’ means any individual,
20 firm, corporation, educational institution, financial
21 institution, governmental entity, or legal or other en-
22 tity.”.

23 (e) DAMAGES IN CIVIL ACTIONS.—Section 1030(g)
24 of title 18, United States Code is amended—

1 (1) by striking the second sentence and insert-
2 ing the following: “A civil action for a violation of
3 this section may be brought only if the conduct in-
4 volves 1 of the factors set forth in clause (i), (ii),
5 (iii), (iv), or (v) of subsection (a)(5)(B). Damages
6 for a violation involving only conduct described in
7 subsection (a)(5)(B)(i) are limited to economic dam-
8 ages.”; and

9 (2) by adding at the end the following: “No ac-
10 tion may be brought under this subsection for the
11 negligent design or manufacture of computer hard-
12 ware, computer software, or firmware.”.

13 (f) AMENDMENT OF SENTENCING GUIDELINES RE-
14 LATING TO CERTAIN COMPUTER FRAUD AND ABUSE.—
15 Pursuant to its authority under section 994(p) of title 28,
16 United States Code, the United States Sentencing Com-
17 mission shall amend the Federal sentencing guidelines to
18 ensure that any individual convicted of a violation of sec-
19 tion 1030 of title 18, United States Code, can be subjected
20 to appropriate penalties, without regard to any mandatory
21 minimum term of imprisonment.

1 **SEC. 815. ADDITIONAL DEFENSE TO CIVIL ACTIONS RELAT-**
2 **ING TO PRESERVING RECORDS IN RESPONSE**
3 **TO GOVERNMENT REQUESTS.**

4 Section 2707(e)(1) of title 18, United States Code,
5 is amended by inserting after “or statutory authorization”
6 the following: “(including a request of a governmental en-
7 tity under section 2703(f) of this title)”.

8 **SEC. 816. DEVELOPMENT AND SUPPORT OF**
9 **CYBERSECURITY FORENSIC CAPABILITIES.**

10 (a) IN GENERAL.—The Attorney General shall estab-
11 lish such regional computer forensic laboratories as the
12 Attorney General considers appropriate, and provide sup-
13 port to existing computer forensic laboratories, in order
14 that all such computer forensic laboratories have the
15 capability—

16 (1) to provide forensic examinations with re-
17 spect to seized or intercepted computer evidence re-
18 lating to criminal activity (including cyberterrorism);

19 (2) to provide training and education for Fed-
20 eral, State, and local law enforcement personnel and
21 prosecutors regarding investigations, forensic anal-
22 yses, and prosecutions of computer-related crime (in-
23 cluding cyberterrorism);

24 (3) to assist Federal, State, and local law en-
25 forcement in enforcing Federal, State, and local
26 criminal laws relating to computer-related crime;

1 (4) to facilitate and promote the sharing of
2 Federal law enforcement expertise and information
3 about the investigation, analysis, and prosecution of
4 computer-related crime with State and local law en-
5 forcement personnel and prosecutors, including the
6 use of multijurisdictional task forces; and

7 (5) to carry out such other activities as the At-
8 torney General considers appropriate.

9 (b) AUTHORIZATION OF APPROPRIATIONS.—

10 (1) AUTHORIZATION.—There is hereby author-
11 ized to be appropriated in each fiscal year
12 \$50,000,000 for purposes of carrying out this sec-
13 tion.

14 (2) AVAILABILITY.—Amounts appropriated pur-
15 suant to the authorization of appropriations in para-
16 graph (1) shall remain available until expended.

17 **SEC. 817. EXPANSION OF THE BIOLOGICAL WEAPONS STAT-**
18 **UTE.**

19 Chapter 10 of title 18, United States Code, is
20 amended—

21 (1) in section 175—

22 (A) in subsection (b)—

23 (i) by striking “does not include” and
24 inserting “includes”;

1 (ii) by inserting “other than” after
2 “system for”; and

3 (iii) by inserting “bona fide research”
4 after “protective”;

5 (B) by redesignating subsection (b) as sub-
6 section (c); and

7 (C) by inserting after subsection (a) the
8 following:

9 “(b) **ADDITIONAL OFFENSE.**—Whoever knowingly
10 possesses any biological agent, toxin, or delivery system
11 of a type or in a quantity that, under the circumstances,
12 is not reasonably justified by a prophylactic, protective,
13 bona fide research, or other peaceful purpose, shall be
14 fined under this title, imprisoned not more than 10 years,
15 or both. In this subsection, the terms ‘biological agent’ and
16 ‘toxin’ do not encompass any biological agent or toxin that
17 is in its naturally occurring environment, if the biological
18 agent or toxin has not been cultivated, collected, or other-
19 wise extracted from its natural source.”;

20 (2) by inserting after section 175a the fol-
21 lowing:

22 **“SEC. 175b. POSSESSION BY RESTRICTED PERSONS.**

23 “(a) No restricted person described in subsection (b)
24 shall ship or transport interstate or foreign commerce, or
25 possess in or affecting commerce, any biological agent or

1 toxin, or receive any biological agent or toxin that has been
2 shipped or transported in interstate or foreign commerce,
3 if the biological agent or toxin is listed as a select agent
4 in subsection (j) of section 72.6 of title 42, Code of Fed-
5 eral Regulations, pursuant to section 511(d)(l) of the
6 Antiterrorism and Effective Death Penalty Act of 1996
7 (Public Law 104–132), and is not exempted under sub-
8 section (h) of such section 72.6, or appendix A of part
9 72 of the Code of Regulations.

10 “(b) In this section:

11 “(1) The term ‘select agent’ does not include
12 any such biological agent or toxin that is in its natu-
13 rally-occurring environment, if the biological agent
14 or toxin has not been cultivated, collected, or other-
15 wise extracted from its natural source.

16 “(2) The term ‘restricted person’ means an individual
17 who—

18 “(A) is under indictment for a crime pun-
19 ishable by imprisonment for a term exceeding 1
20 year;

21 “(B) has been convicted in any court of a
22 crime punishable by imprisonment for a term
23 exceeding 1 year;

24 “(C) is a fugitive from justice;

1 “(D) is an unlawful user of any controlled
2 substance (as defined in section 102 of the Con-
3 trolled Substances Act (21 U.S.C. 802));

4 “(E) is an alien illegally or unlawfully in
5 the United States;

6 “(F) has been adjudicated as a mental de-
7 fective or has been committed to any mental in-
8 stitution;

9 “(G) is an alien (other than an alien law-
10 fully admitted for permanent residence) who is
11 a national of a country as to which the Sec-
12 retary of State, pursuant to section 6(j) of the
13 Export Administration Act of 1979 (50 U.S.C.
14 App. 2405(j)), section 620A of chapter 1 of
15 part M of the Foreign Assistance Act of 1961
16 (22 U.S.C. 2371), or section 40(d) of chapter
17 3 of the Arms Export Control Act (22 U.S.C.
18 2780(d)), has made a determination (that re-
19 mains in effect) that such country has repeat-
20 edly provided support for acts of international
21 terrorism; or

22 “(H) has been discharged from the Armed
23 Services of the United States under dishonor-
24 able conditions.

1 “(3) The term ‘alien’ has the same meaning as
2 in section 1010(a)(3) of the Immigration and Na-
3 tionality Act (8 U.S.C. 1101(a)(3)).

4 “(4) The term ‘lawfully admitted for permanent
5 residence’ has the same meaning as in section
6 101(a)(20) of the Immigration and Nationality Act
7 (8 U.S.C. 1101(a)(20)).

8 “(c) Whoever knowingly violates this section shall be
9 fined as provided in this title, imprisoned not more than
10 10 years, or both, but the prohibition contained in this
11 section shall not apply with respect to any duly authorized
12 United States governmental activity.”; and

13 (3) in the chapter analysis, by inserting after
14 the item relating to section 175a the following:

“175b. Possession by restricted persons.”.

15 **TITLE IX—IMPROVED**
16 **INTELLIGENCE**

17 **SEC. 901. RESPONSIBILITIES OF DIRECTOR OF CENTRAL**
18 **INTELLIGENCE REGARDING FOREIGN INTEL-**
19 **LIGENCE COLLECTED UNDER FOREIGN IN-**
20 **TELLIGENCE SURVEILLANCE ACT OF 1978.**

21 Section 103(c) of the National Security Act of 1947
22 (50 U.S.C. 403–3(c)) is amended—

23 (1) by redesignating paragraphs (6) and (7) as
24 paragraphs (7) and (8), respectively; and

1 (2) by inserting after paragraph (5) the fol-
2 lowing new paragraph (6):

3 “(6) establish requirements and priorities for
4 foreign intelligence information to be collected under
5 the Foreign Intelligence Surveillance Act of 1978
6 (50 U.S.C. 1801 et seq.), and provide assistance to
7 the Attorney General to ensure that information de-
8 rived from electronic surveillance or physical
9 searches under that Act is disseminated so it may be
10 used efficiently and effectively for foreign intel-
11 ligence purposes, except that the Director shall have
12 no authority to direct, manage, or undertake elec-
13 tronic surveillance or physical search operations pur-
14 suant to that Act unless otherwise authorized by
15 statute or executive order;”.

16 **SEC. 902. INCLUSION OF INTERNATIONAL TERRORIST AC-**
17 **TIVITIES WITHIN SCOPE OF FOREIGN INTEL-**
18 **LIGENCE UNDER NATIONAL SECURITY ACT**
19 **OF 1947.**

20 Section 3 of the National Security Act of 1947 (50
21 U.S.C. 401a) is amended—

22 (1) in paragraph (2), by inserting before the pe-
23 riod the following: “, or international terrorist activi-
24 ties”; and

1 (2) in paragraph (3), by striking “and activities
2 conducted” and inserting “, and activities con-
3 ducted,”.

4 **SEC. 903. SENSE OF CONGRESS ON THE ESTABLISHMENT**
5 **AND MAINTENANCE OF INTELLIGENCE RELA-**
6 **TIONSHIPS TO ACQUIRE INFORMATION ON**
7 **TERRORISTS AND TERRORIST ORGANIZA-**
8 **TIONS.**

9 It is the sense of Congress that officers and employ-
10 ees of the intelligence community of the Federal Govern-
11 ment, acting within the course of their official duties,
12 should be encouraged, and should make every effort, to
13 establish and maintain intelligence relationships with any
14 person, entity, or group for the purpose of engaging in
15 lawful intelligence activities, including the acquisition of
16 information on the identity, location, finances, affiliations,
17 capabilities, plans, or intentions of a terrorist or terrorist
18 organization, or information on any other person, entity,
19 or group (including a foreign government) engaged in har-
20 boring, comforting, financing, aiding, or assisting a ter-
21 rorist or terrorist organization.

1 **SEC. 904. TEMPORARY AUTHORITY TO DEFER SUBMITTAL**
2 **TO CONGRESS OF REPORTS ON INTEL-**
3 **LIGENCE AND INTELLIGENCE-RELATED MAT-**
4 **TERS.**

5 (a) **AUTHORITY TO DEFER.**—The Secretary of De-
6 fense, Attorney General, and Director of Central Intel-
7 ligence each may, during the effective period of this sec-
8 tion, defer the date of submittal to Congress of any cov-
9 ered intelligence report under the jurisdiction of such offi-
10 cial until February 1, 2002.

11 (b) **COVERED INTELLIGENCE REPORT.**—Except as
12 provided in subsection (c), for purposes of subsection (a),
13 a covered intelligence report is as follows:

14 (1) Any report on intelligence or intelligence-re-
15 lated activities of the United States Government
16 that is required to be submitted to Congress by an
17 element of the intelligence community during the ef-
18 fective period of this section.

19 (2) Any report or other matter that is required
20 to be submitted to the Select Committee on Intel-
21 ligence of the Senate and Permanent Select Com-
22 mittee on Intelligence of the House of Representa-
23 tives by the Department of Defense or the Depart-
24 ment of Justice during the effective period of this
25 section.

1 (c) EXCEPTION FOR CERTAIN REPORTS.—For pur-
2 poses of subsection (a), any report required by section 502
3 or 503 of the National Security Act of 1947 (50 U.S.C.
4 413a, 413b) is not a covered intelligence report.

5 (d) NOTICE TO CONGRESS.—Upon deferring the date
6 of submittal to Congress of a covered intelligence report
7 under subsection (a), the official deferring the date of sub-
8 mittal of the covered intelligence report shall submit to
9 Congress notice of the deferral. Notice of deferral of a re-
10 port shall specify the provision of law, if any, under which
11 the report would otherwise be submitted to Congress.

12 (e) EXTENSION OF DEFERRAL.—(1) Each official
13 specified in subsection (a) may defer the date of submittal
14 to Congress of a covered intelligence report under the ju-
15 risdiction of such official to a date after February 1, 2002,
16 if such official submits to the committees of Congress
17 specified in subsection (b)(2) before February 1, 2002, a
18 certification that preparation and submittal of the covered
19 intelligence report on February 1, 2002, will impede the
20 work of officers or employees who are engaged in
21 counterterrorism activities.

22 (2) A certification under paragraph (1) with respect
23 to a covered intelligence report shall specify the date on
24 which the covered intelligence report will be submitted to
25 Congress.

1 (f) EFFECTIVE PERIOD.—The effective period of this
 2 section is the period beginning on the date of the enact-
 3 ment of this Act and ending on February 1, 2002.

4 (g) ELEMENT OF THE INTELLIGENCE COMMUNITY
 5 DEFINED.—In this section, the term “element of the intel-
 6 ligence community” means any element of the intelligence
 7 community specified or designated under section 3(4) of
 8 the National Security Act of 1947 (50 U.S.C. 401a(4)).

9 **SEC. 905. DISCLOSURE TO DIRECTOR OF CENTRAL INTEL-**
 10 **LIGENCE OF FOREIGN INTELLIGENCE-RE-**
 11 **LATED INFORMATION WITH RESPECT TO**
 12 **CRIMINAL INVESTIGATIONS.**

13 (a) IN GENERAL.—Title I of the National Security
 14 Act of 1947 (50 U.S.C. 402 et seq.) is amended—

15 (1) by redesignating subsection 105B as section
 16 105C; and

17 (2) by inserting after section 105A the fol-
 18 lowing new section 105B:

19 “DISCLOSURE OF FOREIGN INTELLIGENCE ACQUIRED IN
 20 CRIMINAL INVESTIGATIONS; NOTICE OF CRIMINAL
 21 INVESTIGATIONS OF FOREIGN INTELLIGENCE
 22 SOURCES

23 “SEC. 105B. (a) DISCLOSURE OF FOREIGN INTEL-
 24 LIGENCE.—(1) Except as otherwise provided by law and
 25 subject to paragraph (2), the Attorney General, or the
 26 head of any other department or agency of the Federal

1 Government with law enforcement responsibilities, shall
2 expeditiously disclose to the Director of Central Intel-
3 ligence, pursuant to guidelines developed by the Attorney
4 General in consultation with the Director, foreign intel-
5 ligence acquired by an element of the Department of Jus-
6 tice or an element of such department or agency, as the
7 case may be, in the course of a criminal investigation.

8 “(2) The Attorney General by regulation and in con-
9 sultation with the Director of Central Intelligence may
10 provide for exceptions to the applicability of paragraph (1)
11 for one or more classes of foreign intelligence, or foreign
12 intelligence with respect to one or more targets or matters,
13 if the Attorney General determines that disclosure of such
14 foreign intelligence under that paragraph would jeopardize
15 an ongoing law enforcement investigation or impair other
16 significant law enforcement interests.

17 “(b) PROCEDURES FOR NOTICE OF CRIMINAL INVES-
18 TIGATIONS.—Not later than 180 days after the date of
19 enactment of this section, the Attorney General, in con-
20 sultation with the Director of Central Intelligence, shall
21 develop guidelines to ensure that after receipt of a report
22 from an element of the intelligence community of activity
23 of a foreign intelligence source or potential foreign intel-
24 ligence source that may warrant investigation as criminal
25 activity, the Attorney General provides notice to the Direc-

1 tor of Central Intelligence, within a reasonable period of
2 time, of his intention to commence, or decline to com-
3 mence, a criminal investigation of such activity.

4 “(c) PROCEDURES.—The Attorney General shall de-
5 velop procedures for the administration of this section, in-
6 cluding the disclosure of foreign intelligence by elements
7 of the Department of Justice, and elements of other de-
8 partments and agencies of the Federal Government, under
9 subsection (a) and the provision of notice with respect to
10 criminal investigations under subsection (b).”.

11 (b) CLERICAL AMENDMENT.—The table of contents
12 in the first section of that Act is amended by striking the
13 item relating to section 105B and inserting the following
14 new items:

“Sec. 105B. Disclosure of foreign intelligence acquired in criminal investiga-
tions; notice of criminal investigations of foreign intelligence
sources.

“Sec. 105C. Protection of the operational files of the National Imagery and
Mapping Agency.”.

15 **SEC. 906. FOREIGN TERRORIST ASSET TRACKING CENTER.**

16 (a) REPORT ON RECONFIGURATION.—Not later than
17 February 1, 2002, the Attorney General, the Director of
18 Central Intelligence, and the Secretary of the Treasury
19 shall jointly submit to Congress a report on the feasibility
20 and desirability of reconfiguring the Foreign Terrorist
21 Asset Tracking Center and the Office of Foreign Assets
22 Control of the Department of the Treasury in order to
23 establish a capability to provide for the effective and effi-

1 cient analysis and dissemination of foreign intelligence re-
2 lating to the financial capabilities and resources of inter-
3 national terrorist organizations.

4 (b) REPORT REQUIREMENTS.—(1) In preparing the
5 report under subsection (a), the Attorney General, the
6 Secretary, and the Director shall consider whether, and
7 to what extent, the capacities and resources of the Finan-
8 cial Crimes Enforcement Center of the Department of the
9 Treasury may be integrated into the capability con-
10 templated by the report.

11 (2) If the Attorney General, Secretary, and the Direc-
12 tor determine that it is feasible and desirable to undertake
13 the reconfiguration described in subsection (a) in order to
14 establish the capability described in that subsection, the
15 Attorney General, the Secretary, and the Director shall
16 include with the report under that subsection a detailed
17 proposal for legislation to achieve the reconfiguration.

18 **SEC. 907. NATIONAL VIRTUAL TRANSLATION CENTER.**

19 (a) REPORT ON ESTABLISHMENT.—(1) Not later
20 than February 1, 2002, the Director of Central Intel-
21 ligence shall, in consultation with the Director of the Fed-
22 eral Bureau of Investigation, submit to the appropriate
23 committees of Congress a report on the establishment and
24 maintenance within the intelligence community of an ele-
25 ment for purposes of providing timely and accurate trans-

1 lations of foreign intelligence for all other elements of the
2 intelligence community. In the report, the element shall
3 be referred to as the “National Virtual Translation Cen-
4 ter”.

5 (2) The report on the element described in paragraph
6 (1) shall discuss the use of state-of-the-art communica-
7 tions technology, the integration of existing translation ca-
8 pabilities in the intelligence community, and the utilization
9 of remote-connection capacities so as to minimize the need
10 for a central physical facility for the element.

11 (b) RESOURCES.—The report on the element required
12 by subsection (a) shall address the following:

13 (1) The assignment to the element of a staff of
14 individuals possessing a broad range of linguistic
15 and translation skills appropriate for the purposes of
16 the element.

17 (2) The provision to the element of communica-
18 tions capabilities and systems that are commensu-
19 rate with the most current and sophisticated com-
20 munications capabilities and systems available to
21 other elements of intelligence community.

22 (3) The assurance, to the maximum extent
23 practicable, that the communications capabilities and
24 systems provided to the element will be compatible
25 with communications capabilities and systems uti-

1 lized by the Federal Bureau of Investigation in se-
2 curing timely and accurate translations of foreign
3 language materials for law enforcement investiga-
4 tions.

5 (4) The development of a communications in-
6 frastructure to ensure the efficient and secure use of
7 the translation capabilities of the element.

8 (c) SECURE COMMUNICATIONS.—The report shall in-
9 clude a discussion of the creation of secure electronic com-
10 munications between the element described by subsection
11 (a) and the other elements of the intelligence community.

12 (d) DEFINITIONS.—In this section:

13 (1) FOREIGN INTELLIGENCE.—The term “for-
14 eign intelligence” has the meaning given that term
15 in section 3(2) of the National Security Act of 1947
16 (50 U.S.C. 401a(2)).

17 (2) ELEMENT OF THE INTELLIGENCE COMMU-
18 NITY.—The term “element of the intelligence com-
19 munity” means any element of the intelligence com-
20 munity specified or designated under section 3(4) of
21 the National Security Act of 1947 (50 U.S.C.
22 401a(4)).

1 **SEC. 908. TRAINING OF GOVERNMENT OFFICIALS REGARD-**
2 **ING IDENTIFICATION AND USE OF FOREIGN**
3 **INTELLIGENCE.**

4 (a) PROGRAM REQUIRED.—The Attorney General
5 shall, in consultation with the Director of Central Intel-
6 ligence, carry out a program to provide appropriate train-
7 ing to officials described in subsection (b) in order to as-
8 sist such officials in—

9 (1) identifying foreign intelligence information
10 in the course of their duties; and

11 (2) utilizing foreign intelligence information in
12 the course of their duties, to the extent that the uti-
13 lization of such information is appropriate for such
14 duties.

15 (b) OFFICIALS.—The officials provided training
16 under subsection (a) are, at the discretion of the Attorney
17 General and the Director, the following:

18 (1) Officials of the Federal Government who
19 are not ordinarily engaged in the collection, dissemi-
20 nation, and use of foreign intelligence in the per-
21 formance of their duties.

22 (2) Officials of State and local governments
23 who encounter, or may encounter in the course of a
24 terrorist event, foreign intelligence in the perform-
25 ance of their duties.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
2 hereby authorized to be appropriated for the Department
3 of Justice such sums as may be necessary for purposes
4 of carrying out the program required by subsection (a).

5 **TITLE X—MISCELLANEOUS**

6 **SEC. 1001. REVIEW OF THE DEPARTMENT OF JUSTICE.**

7 The Inspector General of the Department of Justice
8 shall designate one official who shall—

9 (1) review information and receive complaints
10 alleging abuses of civil rights and civil liberties by
11 employees and officials of the Department of Jus-
12 tice;

13 (2) make public through the Internet, radio, tel-
14 evision, and newspaper advertisements information
15 on the responsibilities and functions of, and how to
16 contact, the official; and

17 (3) submit to the Committee on the Judiciary
18 of the House of Representatives and the Committee
19 on the Judiciary of the Senate on a semi-annual
20 basis a report on the implementation of this sub-
21 section and detailing any abuses described in para-
22 graph (1), including a description of the use of
23 funds appropriations used to carry out this sub-
24 section.

1 **SEC. 1002. SENSE OF CONGRESS.**

2 (a) FINDINGS.—Congress finds that—

3 (1) all Americans are united in condemning, in
4 the strongest possible terms, the terrorists who
5 planned and carried out the attacks against the
6 United States on September 11, 2001, and in pur-
7 suing all those responsible for those attacks and
8 their sponsors until they are brought to justice;

9 (2) Sikh-Americans form a vibrant, peaceful,
10 and law-abiding part of America’s people;

11 (3) approximately 500,000 Sikhs reside in the
12 United States and are a vital part of the Nation;

13 (4) Sikh-Americans stand resolutely in support
14 of the commitment of our Government to bring the
15 terrorists and those that harbor them to justice;

16 (5) the Sikh faith is a distinct religion with a
17 distinct religious and ethnic identity that has its own
18 places of worship and a distinct holy text and reli-
19 gious tenets;

20 (6) many Sikh-Americans, who are easily rec-
21 ognizable by their turbans and beards, which are re-
22 quired articles of their faith, have suffered both
23 verbal and physical assaults as a result of misguided
24 anger toward Arab-Americans and Muslim-Ameri-
25 cans in the wake of the September 11, 2001 ter-
26 rorist attack;

1 (7) Sikh-Americans, as do all Americans, con-
2 demn acts of prejudice against any American; and

3 (8) Congress is seriously concerned by the num-
4 ber of crimes against Sikh-Americans and other
5 Americans all across the Nation that have been re-
6 ported in the wake of the tragic events that unfolded
7 on September 11, 2001.

8 (b) SENSE OF CONGRESS.—Congress—

9 (1) declares that, in the quest to identify, lo-
10 cate, and bring to justice the perpetrators and spon-
11 sors of the terrorist attacks on the United States on
12 September 11, 2001, the civil rights and civil lib-
13 erties of all Americans, including Sikh-Americans,
14 should be protected;

15 (2) condemns bigotry and any acts of violence
16 or discrimination against any Americans, including
17 Sikh-Americans;

18 (3) calls upon local and Federal law enforce-
19 ment authorities to work to prevent crimes against
20 all Americans, including Sikh-Americans; and

21 (4) calls upon local and Federal law enforce-
22 ment authorities to prosecute to the fullest extent of
23 the law all those who commit crimes.

1 **SEC. 1003. DEFINITION OF “ELECTRONIC SURVEILLANCE”.**

2 Section 101(f)(2) of the Foreign Intelligence Surveil-
3 lance Act (50 U.S.C. 1801(f)(2)) is amended by adding
4 at the end before the semicolon the following: “, but does
5 not include the acquisition of those communications of
6 computer trespassers that would be permissible under sec-
7 tion 2511(2)(i) of title 18, United States Code”.

8 **SEC. 1004. VENUE IN MONEY LAUNDERING CASES.**

9 Section 1956 of title 18, United States Code, is
10 amended by adding at the end the following:

11 “(i) VENUE.—(1) Except as provided in paragraph
12 (2), a prosecution for an offense under this section or sec-
13 tion 1957 may be brought in—

14 “(A) any district in which the financial or mon-
15 etary transaction is conducted; or

16 “(B) any district where a prosecution for the
17 underlying specified unlawful activity could be
18 brought, if the defendant participated in the transfer
19 of the proceeds of the specified unlawful activity
20 from that district to the district where the financial
21 or monetary transaction is conducted.

22 “(2) A prosecution for an attempt or conspiracy of-
23 fense under this section or section 1957 may be brought
24 in the district where venue would lie for the completed of-
25 fense under paragraph (1), or in any other district where

1 an act in furtherance of the attempt or conspiracy took
2 place.

3 “(3) For purposes of this section, a transfer of funds
4 from 1 place to another, by wire or any other means, shall
5 constitute a single, continuing transaction. Any person
6 who conducts (as that term is defined in subsection (c)(2))
7 any portion of the transaction may be charged in any dis-
8 trict in which the transaction takes place.”.

9 **SEC. 1005. FIRST RESPONDERS ASSISTANCE ACT.**

10 (a) GRANT AUTHORIZATION.—The Attorney General
11 shall make grants described in subsections (b) and (c) to
12 States and units of local government to improve the ability
13 of State and local law enforcement, fire department and
14 first responders to respond to and prevent acts of ter-
15 rorism.

16 (b) TERRORISM PREVENTION GRANTS.—Terrorism
17 prevention grants under this subsection may be used for
18 programs, projects, and other activities to—

19 (1) hire additional law enforcement personnel
20 dedicated to intelligence gathering and analysis func-
21 tions, including the formation of full-time intel-
22 ligence and analysis units;

23 (2) purchase technology and equipment for in-
24 telligence gathering and analysis functions, including

1 wire-tap, pen links, cameras, and computer hard-
2 ware and software;

3 (3) purchase equipment for responding to a
4 critical incident, including protective equipment for
5 patrol officers such as quick masks;

6 (4) purchase equipment for managing a critical
7 incident, such as communications equipment for im-
8 proved interoperability among surrounding jurisdic-
9 tions and mobile command posts for overall scene
10 management; and

11 (5) fund technical assistance programs that em-
12 phasize coordination among neighboring law enforce-
13 ment agencies for sharing resources, and resources
14 coordination among law enforcement agencies for
15 combining intelligence gathering and analysis func-
16 tions, and the development of policy, procedures,
17 memorandums of understanding, and other best
18 practices.

19 (c) ANTITERRORISM TRAINING GRANTS.—
20 Antiterrorism training grants under this subsection may
21 be used for programs, projects, and other activities to
22 address—

23 (1) intelligence gathering and analysis tech-
24 niques;

25 (2) community engagement and outreach;

1 (3) critical incident management for all forms
2 of terrorist attack;

3 (4) threat assessment capabilities;

4 (5) conducting followup investigations; and

5 (6) stabilizing a community after a terrorist in-
6 cident.

7 (d) APPLICATION.—

8 (1) IN GENERAL.—Each eligible entity that de-
9 sires to receive a grant under this section shall sub-
10 mit an application to the Attorney General, at such
11 time, in such manner, and accompanied by such ad-
12 ditional information as the Attorney General may
13 reasonably require.

14 (2) CONTENTS.—Each application submitted
15 pursuant to paragraph (1) shall—

16 (A) describe the activities for which assist-
17 ance under this section is sought; and

18 (B) provide such additional assurances as
19 the Attorney General determines to be essential
20 to ensure compliance with the requirements of
21 this section.

22 (e) MINIMUM AMOUNT.—If all applications submitted
23 by a State or units of local government within that State
24 have not been funded under this section in any fiscal year,
25 that State, if it qualifies, and the units of local government

1 within that State, shall receive in that fiscal year not less
2 than 0.5 percent of the total amount appropriated in that
3 fiscal year for grants under this section.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated \$25,000,000 for each
6 of the fiscal years 2003 through 2007.

7 **SEC. 1006. INADMISSIBILITY OF ALIENS ENGAGED IN**
8 **MONEY LAUNDERING.**

9 (a) AMENDMENT TO IMMIGRATION AND NATION-
10 ALITY ACT.—Section 212(a)(2) of the Immigration and
11 Nationality Act (8 U.S.C. 1182(a)(2)) is amended by add-
12 ing at the end the following:

13 “(I) MONEY LAUNDERING.—Any alien—
14 “(i) who a consular officer or the At-
15 torney General knows, or has reason to be-
16 lieve, has engaged, is engaging, or seeks to
17 enter the United States to engage, in an
18 offense which is described in section 1956
19 or 1957 of title 18, United States Code
20 (relating to laundering of monetary instru-
21 ments); or

22 “(ii) who a consular officer or the At-
23 torney General knows is, or has been, a
24 knowing aider, abettor, assister, con-

1 spirator, or colluder with others in an of-
2 fense which is described in such section;
3 is inadmissible.”.

4 (b) MONEY LAUNDERING WATCHLIST.—Not later
5 than 90 days after the date of the enactment of this Act,
6 the Secretary of State shall develop, implement, and cer-
7 tify to the Congress that there has been established a
8 money laundering watchlist, which identifies individuals
9 worldwide who are known or suspected of money laun-
10 dering, which is readily accessible to, and shall be checked
11 by, a consular or other Federal official prior to the
12 issuance of a visa or admission to the United States. The
13 Secretary of State shall develop and continually update the
14 watchlist in cooperation with the Attorney General, the
15 Secretary of the Treasury, and the Director of Central In-
16 telligence.

17 **SEC. 1007. AUTHORIZATION OF FUNDS FOR DEA POLICE**
18 **TRAINING IN SOUTH AND CENTRAL ASIA.**

19 In addition to amounts otherwise available to carry
20 out section 481 of the Foreign Assistance Act of 1961 (22
21 U.S.C. 2291), there is authorized to be appropriated to
22 the President not less than \$5,000,000 for fiscal year
23 2002 for regional antidrug training in the Republic of
24 Turkey by the Drug Enforcement Administration for po-

1 lice, as well as increased precursor chemical control efforts
2 in the South and Central Asia region.

3 **SEC. 1008. FEASIBILITY STUDY ON USE OF BIOMETRIC**
4 **IDENTIFIER SCANNING SYSTEM WITH AC-**
5 **CESS TO THE FBI INTEGRATED AUTOMATED**
6 **FINGERPRINT IDENTIFICATION SYSTEM AT**
7 **OVERSEAS CONSULAR POSTS AND POINTS OF**
8 **ENTRY TO THE UNITED STATES.**

9 (a) IN GENERAL.—The Attorney General, in con-
10 sultation with the Secretary of State and the Secretary
11 of Transportation, shall conduct a study on the feasibility
12 of utilizing a biometric identifier (fingerprint) scanning
13 system, with access to the database of the Federal Bureau
14 of Investigation Integrated Automated Fingerprint Identi-
15 fication System, at consular offices abroad and at points
16 of entry into the United States to enhance the ability of
17 State Department and immigration officials to identify
18 aliens who may be wanted in connection with criminal or
19 terrorist investigations in the United States or abroad
20 prior to the issuance of visas or entry into the United
21 States.

22 (b) REPORT TO CONGRESS.—Not later than 90 days
23 after the date of the enactment of this Act, the Attorney
24 General shall submit a report summarizing the findings
25 of the study authorized under subsection (a) to the Com-

1 mittee on International Relations and the Committee on
2 the Judiciary of the House of Representatives and the
3 Committee on Foreign Relations and the Committee on
4 the Judiciary of the Senate.

5 **SEC. 1009. STUDY OF ACCESS.**

6 (a) IN GENERAL.—Not later than 120 days after en-
7 actment of this Act, the Federal Bureau of Investigation
8 shall study and report to Congress on the feasibility of
9 providing to airlines access via computer to the names of
10 passengers who are suspected of terrorist activity by Fed-
11 eral officials.

12 (b) AUTHORIZATION.—There are authorized to be ap-
13 propriated not more than \$250,000 to carry out sub-
14 section (a).

15 **SEC. 1010. TEMPORARY AUTHORITY TO CONTRACT WITH**
16 **LOCAL AND STATE GOVERNMENTS FOR PER-**
17 **FORMANCE OF SECURITY FUNCTIONS AT**
18 **UNITED STATES MILITARY INSTALLATIONS.**

19 (a) IN GENERAL.—Notwithstanding section 2465 of
20 title 10, United States Code, during the period of time
21 that United States armed forces are engaged in Operation
22 Enduring Freedom, and for the period of 180 days there-
23 after, funds appropriated to the Department of Defense
24 may be obligated and expended for the purpose of entering
25 into contracts or other agreements for the performance of

1 security functions at any military installation or facility
2 in the United States with a proximately located local or
3 State government, or combination of such governments,
4 whether or not any such government is obligated to pro-
5 vide such services to the general public without compensa-
6 tion.

7 (b) TRAINING.—Any contract or agreement entered
8 into under this section shall prescribe standards for the
9 training and other qualifications of local government law
10 enforcement personnel who perform security functions
11 under this section in accordance with criteria established
12 by the Secretary of the service concerned.

13 (c) REPORT.—One year after the date of enactment
14 of this section, the Secretary of Defense shall submit a
15 report to the Committees on Armed Services of the Senate
16 and the House of Representatives describing the use of
17 the authority granted under this section and the use by
18 the Department of Defense of other means to improve the
19 performance of security functions on military installations
20 and facilities located within the United States.

21 **SEC. 1011. CRIMES AGAINST CHARITABLE AMERICANS.**

22 (a) SHORT TITLE.—This section may be cited as the
23 “Crimes Against Charitable Americans Act of 2001”.

24 (b) TELEMARKETING AND CONSUMER FRAUD
25 ABUSE.—The Telemarketing and Consumer Fraud and

1 Abuse Prevention Act (15 U.S.C. 6101 et seq.) is
2 amended—

3 (1) in section 3(a)(2), by inserting after “prac-
4 tices” the second place it appears the following:
5 “which shall include fraudulent charitable sollicita-
6 tions, and”;

7 (2) in section 3(a)(3)—

8 (A) in subparagraph (B), by striking
9 “and” at the end;

10 (B) in subparagraph (C), by striking the
11 period at the end and inserting “; and”; and

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

13 “(D) a requirement that any person en-
14 gaged in telemarketing for the solicitation of
15 charitable contributions, donations, or gifts of
16 money or any other thing of value, shall
17 promptly and clearly disclose to the person re-
18 ceiving the call that the purpose of the call is
19 to solicit charitable contributions, donations, or
20 gifts, and make such other disclosures as the
21 Commission considers appropriate, including
22 the name and mailing address of the charitable
23 organization on behalf of which the solicitation
24 is made.”; and

1 (3) in section 7(4), by inserting “, or a chari-
2 table contribution, donation, or gift of money or any
3 other thing of value,” after “services”.

4 (c) RED CROSS MEMBERS OR AGENTS.—Section 917
5 of title 18, United States Code, is amended by striking
6 “one year” and inserting “5 years”.

7 (d) TELEMARKETING FRAUD.—Section 2325(1) of
8 title 18, United States Code, is amended—

9 (1) in subparagraph (A), by striking “or” at
10 the end;

11 (2) in subparagraph (B), by striking the comma
12 at the end and inserting “; or”;

13 (3) by inserting after subparagraph (B) the fol-
14 lowing:

15 “(C) a charitable contribution, donation, or
16 gift of money or any other thing of value,”; and

17 (4) in the flush language, by inserting “or char-
18 itable contributor, or donor” after “participant”.

19 **SEC. 1012. LIMITATION ON ISSUANCE OF HAZMAT LI-**
20 **CENSES.**

21 (a) LIMITATION.—

22 (1) IN GENERAL.—Chapter 51 of title 49,
23 United States Code, is amended by inserting after
24 section 5103 the following new section:

1 **“§ 5103a. Limitation on issuance of hazmat licenses**

2 “(a) LIMITATION.—

3 “(1) ISSUANCE OF LICENSES.—A State may
4 not issue to any individual a license to operate a
5 motor vehicle transporting in commerce a hazardous
6 material unless the Secretary of Transportation has
7 first determined, upon receipt of a notification under
8 subsection (c)(1)(B), that the individual does not
9 pose a security risk warranting denial of the license.

10 “(2) RENEWALS INCLUDED.—For the purposes
11 of this section, the term ‘issue’, with respect to a li-
12 cense, includes renewal of the license.

13 “(b) HAZARDOUS MATERIALS DESCRIBED.—The
14 limitation in subsection (a) shall apply with respect to—

15 “(1) any material defined as a hazardous mate-
16 rial by the Secretary of Transportation; and

17 “(2) any chemical or biological material or
18 agent determined by the Secretary of Health and
19 Human Services or the Attorney General as being a
20 threat to the national security of the United States.

21 “(c) BACKGROUND RECORDS CHECK.—

22 “(1) IN GENERAL.—Upon the request of a
23 State regarding issuance of a license described in
24 subsection (a)(1) to an individual, the Attorney
25 General—

1 “(A) shall carry out a background records
2 check regarding the individual; and

3 “(B) upon completing the background
4 records check, shall notify the Secretary of
5 Transportation of the completion and results of
6 the background records check.

7 “(2) SCOPE.—A background records check re-
8 garding an individual under this subsection shall
9 consist of the following:

10 “(A) A check of the relevant criminal his-
11 tory data bases.

12 “(B) In the case of an alien, a check of the
13 relevant data bases to determine the status of
14 the alien under the immigration laws of the
15 United States.

16 “(C) As appropriate, a check of the rel-
17 evant international data bases through
18 Interpol—U.S. National Central Bureau or other
19 appropriate means.

20 “(d) REPORTING REQUIREMENT.—Each State shall
21 submit to the Secretary of Transportation, at such time
22 and in such manner as the Secretary may prescribe, the
23 name, address, and such other information as the Sec-
24 retary may require, concerning—

1 “(1) each alien to whom the State issues a li-
2 cense described in subsection (a); and

3 “(2) each other individual to whom such a li-
4 cense is issued, as the Secretary may require.

5 “(e) ALIEN DEFINED.—In this section, the term
6 ‘alien’ has the meaning given the term in section 101(a)(3)
7 of the Immigration and Nationality Act.”.

8 (2) CLERICAL AMENDMENT.—The table of sec-
9 tions at the beginning of such chapter is amended
10 by inserting after the item relating to section 5103
11 the following new item:

“5103a. Limitation on issuance of hazmat licenses.”.

12 (b) REGULATION OF DRIVER FITNESS.—Section
13 31305(a)(5) of title 49, United States Code, is amended—

14 (1) by striking “and” at the end of subpara-
15 graph (A);

16 (2) by inserting “and” at the end of subpara-
17 graph (B); and

18 (3) by adding at the end the following new sub-
19 paragraph:

20 “(C) is licensed by a State to operate the
21 vehicle after having first been determined under
22 section 5103a of this title as not posing a secu-
23 rity risk warranting denial of the license.”.

24 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
25 authorized to be appropriated for the Department of

1 Transportation and the Department of Justice such
2 amounts as may be necessary to carry out section 5103a
3 of title 49, United States Code, as added by subsection
4 (a).

5 **SEC. 1013. EXPRESSING THE SENSE OF THE SENATE CON-**
6 **CERNING THE PROVISION OF FUNDING FOR**
7 **BIOTERRORISM PREPAREDNESS AND RE-**
8 **SPONSE.**

9 (a) FINDINGS.—The Senate finds the following:

10 (1) Additional steps must be taken to better
11 prepare the United States to respond to potential
12 bioterrorism attacks.

13 (2) The threat of a bioterrorist attack is still
14 remote, but is increasing for a variety of reasons,
15 including—

16 (A) public pronouncements by Osama bin
17 Laden that it is his religious duty to acquire
18 weapons of mass destruction, including chem-
19 ical and biological weapons;

20 (B) the callous disregard for innocent
21 human life as demonstrated by the terrorists'
22 attacks of September 11, 2001;

23 (C) the resources and motivation of known
24 terrorists and their sponsors and supporters to
25 use biological warfare;

1 (D) recent scientific and technological ad-
2 vances in agent delivery technology such as
3 aerosolization that have made weaponization of
4 certain germs much easier; and

5 (E) the increasing access to the tech-
6 nologies and expertise necessary to construct
7 and deploy chemical and biological weapons of
8 mass destruction.

9 (3) Coordination of Federal, State, and local
10 terrorism research, preparedness, and response pro-
11 grams must be improved.

12 (4) States, local areas, and public health offi-
13 cials must have enhanced resources and expertise in
14 order to respond to a potential bioterrorist attack.

15 (5) National, State, and local communication
16 capacities must be enhanced to combat the spread of
17 chemical and biological illness.

18 (6) Greater resources must be provided to in-
19 crease the capacity of hospitals and local health care
20 workers to respond to public health threats.

21 (7) Health care professionals must be better
22 trained to recognize, diagnose, and treat illnesses
23 arising from biochemical attacks.

1 (8) Additional supplies may be essential to in-
2 crease the readiness of the United States to respond
3 to a bio-attack.

4 (9) Improvements must be made in assuring
5 the safety of the food supply.

6 (10) New vaccines and treatments are needed
7 to assure that we have an adequate response to a
8 biochemical attack.

9 (11) Government research, preparedness, and
10 response programs need to utilize private sector ex-
11 pertise and resources.

12 (12) Now is the time to strengthen our public
13 health system and ensure that the United States is
14 adequately prepared to respond to potential bioter-
15 rorist attacks, natural infectious disease outbreaks,
16 and other challenges and potential threats to the
17 public health.

18 (b) SENSE OF THE SENATE.—It is the sense of the
19 Senate that the United States should make a substantial
20 new investment this year toward the following:

21 (1) Improving State and local preparedness ca-
22 pabilities by upgrading State and local surveillance
23 epidemiology, assisting in the development of re-
24 sponse plans, assuring adequate staffing and train-
25 ing of health professionals to diagnose and care for

1 victims of bioterrorism, extending the electronics
2 communications networks and training personnel,
3 and improving public health laboratories.

4 (2) Improving hospital response capabilities by
5 assisting hospitals in developing plans for a bioter-
6 rorist attack and improving the surge capacity of
7 hospitals.

8 (3) Upgrading the bioterrorism capabilities of
9 the Centers for Disease Control and Prevention
10 through improving rapid identification and health
11 early warning systems.

12 (4) Improving disaster response medical sys-
13 tems, such as the National Disaster Medical System
14 and the Metropolitan Medical Response System and
15 Epidemic Intelligence Service.

16 (5) Targeting research to assist with the devel-
17 opment of appropriate therapeutics and vaccines for
18 likely bioterrorist agents and assisting with expe-
19 dited drug and device review through the Food and
20 Drug Administration.

21 (6) Improving the National Pharmaceutical
22 Stockpile program by increasing the amount of nec-
23 essary therapies (including smallpox vaccines and
24 other post-exposure vaccines) and ensuring the ap-
25 propriate deployment of stockpiles.

1 (7) Targeting activities to increase food safety
2 at the Food and Drug Administration.

3 (8) Increasing international cooperation to se-
4 cure dangerous biological agents, increase surveil-
5 lance, and retrain biological warfare specialists.

6 **SEC. 1014. GRANT PROGRAM FOR STATE AND LOCAL DO-**
7 **MESTIC PREPAREDNESS SUPPORT.**

8 (a) IN GENERAL.—The Office for State and Local
9 Domestic Preparedness Support of the Office of Justice
10 Programs shall make a grant to each State, which shall
11 be used by the State, in conjunction with units of local
12 government, to enhance the capability of State and local
13 jurisdictions to prepare for and respond to terrorist acts
14 including events of terrorism involving weapons of mass
15 destruction and biological, nuclear, radiological, incen-
16 diary, chemical, and explosive devices.

17 (b) USE OF GRANT AMOUNTS.—Grants under this
18 section may be used to purchase needed equipment and
19 to provide training and technical assistance to State and
20 local first responders.

21 (c) AUTHORIZATION OF APPROPRIATIONS.—

22 (1) IN GENERAL.—There is authorized to be
23 appropriated to carry out this section such sums as
24 necessary for each of fiscal years 2002 through
25 2007.

1 (2) LIMITATIONS.—Of the amount made avail-
2 able to carry out this section in any fiscal year not
3 more than 3 percent may be used by the Attorney
4 General for salaries and administrative expenses.

5 (3) MINIMUM AMOUNT.—Each State shall be
6 allocated in each fiscal year under this section not
7 less than 0.75 percent of the total amount appro-
8 priated in the fiscal year for grants pursuant to this
9 section, except that the United States Virgin Is-
10 lands, America Samoa, Guam, and the Northern
11 Mariana Islands each shall be allocated 0.25 per-
12 cent.

13 **SEC. 1015. EXPANSION AND REAUTHORIZATION OF THE**
14 **CRIME IDENTIFICATION TECHNOLOGY ACT**
15 **FOR ANTITERRORISM GRANTS TO STATES**
16 **AND LOCALITIES.**

17 Section 102 of the Crime Identification Technology
18 Act of 1998 (42 U.S.C. 14601) is amended—

19 (1) in subsection (b)—

20 (A) in paragraph (16), by striking “and”
21 at the end;

22 (B) in paragraph (17), by striking the pe-
23 riod and inserting “; and”; and

24 (C) by adding at the end the following:

1 “(18) notwithstanding subsection (c),
2 antiterrorism purposes as they relate to any other
3 uses under this section or for other antiterrorism
4 programs.”; and

5 (2) in subsection (e)(1), by striking “this sec-
6 tion” and all that follows and inserting “this section
7 \$250,000,000 for each of fiscal years 2002 through
8 2007.”.

9 **SEC. 1016. CRITICAL INFRASTRUCTURES PROTECTION.**

10 (a) **SHORT TITLE.**—This section may be cited as the
11 “Critical Infrastructures Protection Act of 2001”.

12 (b) **FINDINGS.**—Congress makes the following find-
13 ings:

14 (1) The information revolution has transformed
15 the conduct of business and the operations of gov-
16 ernment as well as the infrastructure relied upon for
17 the defense and national security of the United
18 States.

19 (2) Private business, government, and the na-
20 tional security apparatus increasingly depend on an
21 interdependent network of critical physical and in-
22 formation infrastructures, including telecommuni-
23 cations, energy, financial services, water, and trans-
24 portation sectors.

1 (3) A continuous national effort is required to
2 ensure the reliable provision of cyber and physical
3 infrastructure services critical to maintaining the na-
4 tional defense, continuity of government, economic
5 prosperity, and quality of life in the United States.

6 (4) This national effort requires extensive mod-
7 eling and analytic capabilities for purposes of evalu-
8 ating appropriate mechanisms to ensure the stability
9 of these complex and interdependent systems, and to
10 underpin policy recommendations, so as to achieve
11 the continuous viability and adequate protection of
12 the critical infrastructure of the Nation.

13 (c) POLICY OF THE UNITED STATES.—It is the pol-
14 icy of the United States—

15 (1) that any physical or virtual disruption of
16 the operation of the critical infrastructures of the
17 United States be rare, brief, geographically limited
18 in effect, manageable, and minimally detrimental to
19 the economy, human and government services, and
20 national security of the United States;

21 (2) that actions necessary to achieve the policy
22 stated in paragraph (1) be carried out in a public-
23 private partnership involving corporate and non-gov-
24 ernmental organizations; and

1 (3) to have in place a comprehensive and effec-
2 tive program to ensure the continuity of essential
3 Federal Government functions under all cir-
4 cumstances.

5 (d) ESTABLISHMENT OF NATIONAL COMPETENCE
6 FOR CRITICAL INFRASTRUCTURE PROTECTION.—

7 (1) SUPPORT OF CRITICAL INFRASTRUCTURE
8 PROTECTION AND CONTINUITY BY NATIONAL INFRA-
9 STRUCTURE SIMULATION AND ANALYSIS CENTER.—

10 There shall be established the National Infrastruc-
11 ture Simulation and Analysis Center (NISAC) to
12 serve as a source of national competence to address
13 critical infrastructure protection and continuity
14 through support for activities related to
15 counterterrorism, threat assessment, and risk miti-
16 gation.

17 (2) PARTICULAR SUPPORT.—The support pro-
18 vided under paragraph (1) shall include the fol-
19 lowing:

20 (A) Modeling, simulation, and analysis of
21 the systems comprising critical infrastructures,
22 including cyber infrastructure, telecommuni-
23 cations infrastructure, and physical infrastruc-
24 ture, in order to enhance understanding of the
25 large-scale complexity of such systems and to

1 facilitate modification of such systems to miti-
2 gate the threats to such systems and to critical
3 infrastructures generally.

4 (B) Acquisition from State and local gov-
5 ernments and the private sector of data nec-
6 essary to create and maintain models of such
7 systems and of critical infrastructures gen-
8 erally.

9 (C) Utilization of modeling, simulation,
10 and analysis under subparagraph (A) to provide
11 education and training to policymakers on mat-
12 ters relating to—

13 (i) the analysis conducted under that
14 subparagraph;

15 (ii) the implications of unintended or
16 unintentional disturbances to critical infra-
17 structures; and

18 (iii) responses to incidents or crises
19 involving critical infrastructures, including
20 the continuity of government and private
21 sector activities through and after such in-
22 cidents or crises.

23 (D) Utilization of modeling, simulation,
24 and analysis under subparagraph (A) to provide
25 recommendations to policymakers, and to de-

1 partments and agencies of the Federal Govern-
2 ment and private sector persons and entities
3 upon request, regarding means of enhancing the
4 stability of, and preserving, critical infrastruc-
5 tures.

6 (3) RECIPIENT OF CERTAIN SUPPORT.—Mod-
7 eling, simulation, and analysis provided under this
8 subsection shall be provided, in particular, to rel-
9 evant Federal, State, and local entities responsible
10 for critical infrastructure protection and policy.

11 (e) CRITICAL INFRASTRUCTURE DEFINED.—In this
12 section, the term “critical infrastructure” means systems
13 and assets, whether physical or virtual, so vital to the
14 United States that the incapacity or destruction of such
15 systems and assets would have a debilitating impact on
16 security, national economic security, national public health
17 or safety, or any combination of those matters.

18 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
19 hereby authorized for the Department of Defense for fiscal
20 year 2002, \$20,000,000 for the Defense Threat Reduction
21 Agency for activities of the National Infrastructure Sim-
22 ulation and Analysis Center under this section in that fis-
23 cal year.

○