

108TH CONGRESS
1ST SESSION

H. R. 3016

To combat terrorism financing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 2003

Ms. HART introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on International Relations and Financial 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 combat terrorism financing, and for other purposes.

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

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Combating Terrorism
5 Financing Act of 2003”.

**6 SEC. 2. INCREASED PENALTIES FOR TERRORISM FINANC-
7 ING.**

8 Section 206 of the International Emergency Eco-
9 nomic Powers Act (50 U.S.C. 1705) is amended—

3 (2) in subsection (b), by deleting “ten years”
4 and inserting “twenty years”.

5 SEC. 3. TERRORISM-RELATED SPECIFIED ACTIVITIES FOR
6 MONEY LAUNDERING.

7 (a) AMENDMENTS TO RICO.—Section 1961(1) of
8 title 18, United States Code, is amended—

12 (2) in subparagraph (F), by inserting “section
13 274A (relating to unlawful employment of aliens),”
14 before “section 277”.

15 (b) AMENDMENTS TO SECTION 1956(c)(7).—Section
16 1956(c)(7)(D) of title 18, United States Code, is amended
17 by—

18 (1) inserting “, or section 2339C (relating to fi-
19 nancing of terrorism)” before “of this title”; and

1 (c) CONFORMING AMENDMENTS TO SECTIONS

2 1956(e) AND 1957(e).—

3 (1) Section 1956(e) of title 18, United States

4 Code, is amended to read as follows:

5 “(e) Violations of this section may be investigated by

6 such components of the Department of Justice as the At-

7 torney General may direct, and by such components of the

8 Department of the Treasury as the Secretary of the Treas-

9 ury may direct, as appropriate, and, with respect to of-

10 fenses over which the Department of Homeland Security

11 has jurisdiction, by such components of the Department

12 of Homeland Security as the Secretary of Homeland Secu-

13 rity may direct, and, with respect to offenses over which

14 the United States Postal Service has jurisdiction, by the

15 Postal Service. Such authority of the Secretary of the

16 Treasury, the Secretary of Homeland Security, and the

17 Postal Service shall be exercised in accordance with an

18 agreement which shall be entered into by the Secretary

19 of the Treasury, the Secretary of Homeland Security, the

20 Postal Service, and the Attorney General. Violations of

21 this section involving offenses described in paragraph

22 (c)(7)(E) may be investigated by such components of the

23 Department of Justice as the Attorney General may di-

24 rect, and the National Enforcement Investigations Center

25 of the Environmental Protection Agency.”.

3 “(e) Violations of this section may be investigated by
4 such components of the Department of Justice as the At-
5 torney General may direct, and by such components of the
6 Department of the Treasury as the Secretary of the Treas-
7 ury may direct, as appropriate, and, with respect to of-
8 fenses over which the Department of Homeland Security
9 has jurisdiction, by such components of the Department
10 of Homeland Security as the Secretary of Homeland Secu-
11 rity may direct, and, with respect to offenses over which
12 the United States Postal Service has jurisdiction, by the
13 Postal Service. Such authority of the Secretary of the
14 Treasury, the Secretary of Homeland Security, and the
15 Postal Service shall be exercised in accordance with an
16 agreement which shall be entered into by the Secretary
17 of the Treasury, the Secretary of Homeland Security, the
18 Postal Service, and the Attorney General.”.

19 SEC. 4. ASSETS OF PERSONS COMMITTING TERRORIST
20 ACTS AGAINST FOREIGN COUNTRIES OR
21 INTERNATIONAL ORGANIZATIONS.

22 Section 981(a)(1)(G) of title 18, United States Code,
23
24

(1) *by striking out at the end of clause (ii),*

1 (2) by striking the period at the end of clause
2 (iii) and inserting “; or”; and
3 (3) by inserting the following after clause (iii):
4 “(iv) of any individual, entity, or or-
5 ganization engaged in planning or perpe-
6 trating any act of international terrorism
7 (as defined in section 2331) against any
8 international organization (as defined in
9 section 209 of the State Department Basic
10 Authorities Act of 1956 (22 U.S.C.
11 4309(b))) or against any foreign Govern-
12 ment. Where the property sought for for-
13 feiture is located beyond the territorial
14 boundaries of the United States, an act in
15 furtherance of such planning or perpetra-
16 tion must have occurred within the juris-
17 diction of the United States.”.

18 SEC. 5. MONEY LAUNDERING THROUGH HAWALAS.

19 Section 1956 of title 18, United States Code, is
20 amended by adding at the end the following:

21 “(j)(1) For the purposes of subsections (a)(1) and
22 (a)(2), a transaction, transportation, transmission, or
23 transfer of funds shall be considered to be one involving
24 the proceeds of specified unlawful activity, if the trans-
25 action, transportation, transmission, or transfer is part of

1 a set of parallel or dependent transactions, any one of
2 which involves the proceeds of specified unlawful activity.

3 “(2) As used in this section, a ‘dependent trans-
4 action’ is one that completes or complements another
5 transaction or one that would not have occurred but for
6 another transaction.”.

7 **SEC. 6. CLASSIFIED INFORMATION IN MONEY LAUNDERING**

8 **PROCEEDINGS.**

9 Section 5318A of title 31, United States Code (as
10 added by section 311 of the USA PATRIOT Act of 2001)
11 is amended by adding at the end the following new sub-
12 section:

13 “(f) CLASSIFIED INFORMATION.—In any judicial re-
14 view of a finding of the existence of a primary money laun-
15 dering concern, or the requirement for one or more special
16 measures with respect to a primary money laundering con-
17 cern, made under this section, if the designation or imposi-
18 tion or both were based on classified information (as de-
19 fined in section 1(a) of the Classified Information Proce-
20 dures Act), such information may be submitted by the
21 Secretary to the reviewing court ex parte and in camera.
22 This subsection does not confer or imply any right to judi-
23 cial review of any finding made or requirement imposed
24 under this section.”.

1 SEC. 7. TECHNICAL AND CONFORMING AMENDMENTS RE-

2 LATING TO THE USA PATRIOT ACT.

3 (a) TECHNICAL CORRECTIONS.—

4 (1) Sections 5312(a)(3)(C) and 5324(b) of title
5 31 are amended by striking “5333” each time it ap-
6 pears and inserting “5331”.

7 (2) Section 322 of Public Law 107-56 is
8 amended by striking “title 18” and inserting “title
9 28”.

10 (3) Section 5318(k)(1)(B) of title 31, United
11 States Code, is amended by striking
12 “5318A(f)(1)(B)” and inserting “5318A(e)(1)(B)”.

13 (4) Section 5332(a)(1) of title 31, United
14 States Code, is amended by striking “article of lug-
15 gage” and inserting “article of luggage or mail”.

16 (5) Section 1956(b)(3) and (4) of title 18,
17 United States Code, are amended by striking “de-
18 scribed in paragraph (2)” each time it appears; and

19 (6) Section 981(k) of title 18, United States
20 Code, is amended by striking “foreign bank” each
21 time it appears and inserting “foreign bank or fi-
22 nancial institution”.

23 (b) CODIFICATION OF SECTION 316 OF THE USA
24 PATRIOT ACT.—

25 (1) Chapter 46 of title 18, United States Code,
26 is amended—

1 (A) by inserting at the end the following:

2 “§ 987. Anti-terrorist forfeiture protection

3 “(a) RIGHT TO CONTEST.—An owner of property
4 that is confiscated under this chapter or any other provi-
5 sion of law relating to the confiscation of assets of sus-
6 pected international terrorists, may contest that confisca-
7 tion by filing a claim in the manner set forth in the Fed-
8 eral Rules of Civil Procedure (Supplemental Rules for Cer-
9 tain Admiralty and Maritime Claims), and asserting as an
10 affirmative defense that—

11 “(1) the property is not subject to confiscation
12 under such provision of law; or

13 “(2) the innocent owner provisions of section
14 983(d) apply to the case.

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

21 "(c) CLARIFICATIONS.—

“(1) PROTECTION OF RIGHTS.—The exclusion of certain provisions of Federal law from the definition of the term ‘civil forfeiture statute’ in section 983(i) shall not be construed to deny an owner of

1 property the right to contest the confiscation of as-
2 sets of suspected international 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 or any other provision of law.”; and

12 (B) in the chapter analysis, by inserting at
13 the end the following:

“987. Anti-terrorist forfeiture protection.”.

14 (2) Subsections (a), (b), and (c) of section 316
15 of Public Law 107–56 are repealed.

16 (c) CONFORMING AMENDMENTS CONCERNING CON-
17 SPIRACIES.—

18 (1) Section 33(a) of title 18, United States
19 Code is amended by inserting “or conspires” before
20 “to do any of the foregoing”.

21 (2) Section 1366(a) of title 18, United States
22 Code, is amended—

23 (A) by striking “attempts” each time it ap-
24 pears and inserting “attempts or conspires”;
25 and

(B) by inserting “, or if the object of the conspiracy had been achieved,” after “the attempted offense had been completed”.

4 SEC. 8. TECHNICAL CORRECTIONS TO FINANCING OF TER-
5 RORISM STATUTE.

6 (a) Section 2339C(e)(2) of title 18, United States
7 Code, is amended—

17 (B) by striking “were provided or col-
18 lected” and inserting “are to be provided or col-
19 lected, or knowing that the funds were provided
20 or collected.”.

21 (b) Section 2339C(e) is amended—

22 (1) by striking “and” at the end of paragraph
23 (12);

24 (2) by redesignating paragraph (13) as para-
25 graph (14); and

(3) by inserting after paragraph (12) the following new paragraph:

3 “(13) the term ‘material support or resources’
4 has the same meaning as in section 2339A(b) of this
5 title; and”.

6 (c) Section 2332b(g)(5)(B) of title 18, United States
7 Code, is amended by inserting “)” after “2339C (relating
8 to financing of terrorism”.

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