

108TH CONGRESS
1ST SESSION

S. 1837

To combat money laundering and terrorist financing and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 6, 2003

Mr. GRASSLEY introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To combat money laundering and terrorist 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 Money
5 Laundering and Terrorist Financing Act of 2003”.

6 **SEC. 2. SPECIFIED ACTIVITIES FOR MONEY LAUNDERING.**

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

9 (1) in subparagraph (A), by inserting “bur-
10 glary, embezzlement,” after “robbery,”;

11 (2) in subparagraph (B), by—

1 (A) inserting “section 1960 (relating to il-
 2 legal money transmitters),” before “sections
 3 2251”;

4 (B) striking “1588” and inserting “1592”;

5 (C) inserting “and 1470” after “1461–
 6 1465”; and

7 (D) inserting “2252A,” after “2252,”;

8 (3) in subparagraph (D), by striking “fraud in
 9 the sale of securities” and inserting “fraud in the
 10 purchase or sale of securities”; and

11 (4) in subparagraph (F), by inserting “and
 12 274A” after “274”.

13 (b) MONETARY INVESTMENTS.—Section
 14 1956(c)(7)(D) of title 18, United States Code, is amended
 15 by—

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

18 (2) striking “or any felony violation of the For-
 19 eign Corrupt Practices Act” and inserting “any fel-
 20 ony violation of the Foreign Corrupt Practices Act,
 21 or any violation of section 208 of the Social Security
 22 Act (42 U.S.C. 408) (relating to obtaining funds
 23 through misuse of a social security number)”.

24 (c) CONFORMING AMENDMENTS.—

1 (1) MONETARY INSTRUMENTS.—Section
2 1956(e) of title 18, United States Code, is amended
3 to read as follows:

4 “(e) Violations of this section may be investigated by
5 such components of the Department of Justice as the At-
6 torney General may direct, and by such components of the
7 Department of the Treasury as the Secretary of the Treas-
8 ury may direct, as appropriate, and, with respect to of-
9 fenses over which the Department of Homeland Security
10 has jurisdiction, by such components of the Department
11 of Homeland Security as the Secretary of Homeland Secu-
12 rity may direct, with respect to the offenses over which
13 the Social Security Administration has jurisdiction, as the
14 Commissioner of Social Security may direct, and with re-
15 spect to offenses over which the United States Postal
16 Service has jurisdiction, as the Postmaster General may
17 direct. The authority under this subsection of the Sec-
18 retary of the Treasury, the Secretary of Homeland Secu-
19 rity, the Commissioner of Social Security, and the Post-
20 master General shall be exercised in accordance with an
21 agreement which shall be entered into by the Secretary
22 of the Treasury, the Secretary of Homeland Security, the
23 Commissioner of Social Security, the Postmaster General,
24 and the Attorney General. Violations of this section involv-
25 ing offenses described in subsection (c)(7)(E) may be in-

1 vestigated by such components of the Department of Jus-
2 tice as the Attorney General may direct, and the National
3 Enforcement Investigations Center of the Environmental
4 Protection Agency.”.

5 (2) PROPERTY FROM UNLAWFUL ACTIVITY.—

6 Section 1957(e) of title 18, United States Code, is
7 amended to read as follows:

8 “(e) Violations of this section may be investigated by
9 such components of the Department of Justice as the At-
10 torney General may direct, and by such components of the
11 Department of the Treasury as the Secretary of the Treas-
12 ury may direct, as appropriate, and, with respect to of-
13 fenses over which the Department of Homeland Security
14 has jurisdiction, by such components of the Department
15 of Homeland Security as the Secretary of Homeland Secu-
16 rity may direct, and, with respect to offenses over which
17 the United States Postal Service has jurisdiction, by the
18 Postmaster General. The authority under this subsection
19 of the Secretary of the Treasury, the Secretary of Home-
20 land Security, and the Postmaster General shall be exer-
21 cised in accordance with an agreement which shall be en-
22 tered into by the Secretary of the Treasury, the Secretary
23 of Homeland Security, the Postmaster General, and the
24 Attorney General.”.

1 **SEC. 3. ILLEGAL MONEY TRANSMITTING BUSINESSES.**

2 (a) **TECHNICAL AMENDMENTS.**—Section 1960 of
3 title 18, United States Code, is amended—

4 (1) in the caption by striking “unlicensed” and
5 inserting “illegal”;

6 (2) in subsection (a), by striking “unlicensed”
7 and inserting “illegal”;

8 (3) in subsection (b)(1), by striking “unli-
9 censed” and inserting “illegal”; and

10 (4) in subsection (b)(1)(C), by striking “to be
11 used to be used” and inserting “to be used”.

12 (b) **PROHIBITION OF UNLICENSED MONEY TRANSMIT-**
13 **TING BUSINESSES.**—Section 1960(b)(1)(B) of title 18,
14 United States Code, is amended by inserting the following
15 before the semicolon: “, whether or not the defendant
16 knew that the operation was required to comply with such
17 registration requirements”.

18 (c) **AUTHORITY TO INVESTIGATE.**—Section 1960 of
19 title 18, United States Code, is amended by adding at the
20 end the following:

21 “(c) Violations of this section may be investigated by
22 the Attorney General, the Secretary of the Treasury, and
23 the Secretary of the Department of Homeland Security.”.

1 **SEC. 4. ASSETS OF PERSONS COMMITTING TERRORIST**
 2 **ACTS AGAINST FOREIGN COUNTRIES OR**
 3 **INTERNATIONAL ORGANIZATIONS.**

4 Section 981(a)(1)(G) of title 18, United States Code,
 5 is amended by—

- 6 (1) striking “or” at the end of clause (ii);
- 7 (2) striking the period at the end of clause (iii)
- 8 and inserting “; or”; and
- 9 (3) inserting after clause (iii) the following:

10 “(iv) of any individual, entity, or or-
 11 ganization engaged in planning or perpe-
 12 trating any act of international terrorism
 13 (as defined in section 2331) against any
 14 international organization (as defined in
 15 section 209 of the State Department Basic
 16 Authorities Act of 1956 (22 U.S.C.
 17 4309(b))) or against any foreign govern-
 18 ment. Where the property sought for for-
 19 feiture is located beyond the territorial
 20 boundaries of the United States, an act in
 21 furtherance of such planning or perpetra-
 22 tion must have occurred within the juris-
 23 diction of the United States.”.

1 **SEC. 5. MONEY LAUNDERING THROUGH INFORMAL VALUE**
 2 **TRANSFER SYSTEMS.**

3 Section 1956(a) of title 18, United States Code, is
 4 amended by adding at the end the following:

5 “(4) A transaction described in paragraph (1) or a
 6 transportation, transmission, or transfer described in
 7 paragraph (2) shall be deemed to involve the proceeds of
 8 specified unlawful activity, if the transaction, transpor-
 9 tation, transmission, or transfer is part of a single plan
 10 or arrangement whose purpose is described in either of
 11 those paragraphs and one part of such plan or arrange-
 12 ment actually involves the proceeds of specified unlawful
 13 activity.”.

14 **SEC. 6. TECHNICAL CORRECTIONS TO FINANCING OF TER-**
 15 **RORISM STATUTE.**

16 (a) CONCEALMENT.—Section 2339C(c)(2) of title 18,
 17 United States Code, is amended—

18 (1) by striking “resources, or funds” and in-
 19 serting “resources, or any funds or proceeds of such
 20 funds”;

21 (2) in subparagraph (A), by striking “were pro-
 22 vided” and inserting “are to be provided, or knowing
 23 that the support or resources were provided,”; and

24 (3) in subparagraph (B)—

25 (A) by striking “or any proceeds of such
 26 funds”; and

1 (B) by striking “were provided or col-
 2 lected” and inserting “are to be provided or col-
 3 lected, or knowing that the funds were provided
 4 or collected,”.

5 (b) DEFINITIONS.—Section 2339C(e) is amended
 6 by—

7 (1) striking “and” at the end of paragraph
 8 (12);

9 (2) redesignating paragraph (13) as paragraph
 10 (14); and

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

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

16 (c) INTERNATIONAL TERRORISM.—Section
 17 2332b(g)(5)(B) of title 18, United States Code, is amend-
 18 ed by inserting “)” after “2339C (relating to financing
 19 of terrorism”.

20 **SEC. 7. MISCELLANEOUS AND TECHNICAL AMENDMENTS.**

21 (a) CRIMINAL FORFEITURE.—Section 982(b) of title
 22 18, United States Code, is amended in subsection (b)(2),
 23 by striking “The substitution” and inserting “With re-
 24 spect to a forfeiture under subsection (a)(1), the substi-
 25 tution”.

1 (b) TECHNICAL AMENDMENTS TO SECTIONS 1956
2 AND 1957.—

3 (1) UNLAWFUL ACTIVITY.—Section
4 1956(c)(7)(F) of title 18, United States Code, is
5 amended by inserting “, as defined in section 24”
6 before the period.

7 (2) PROPERTY FROM UNLAWFUL ACTIVITY.—
8 Section 1957 of title 18, United States Code, is
9 amended—

10 (A) in subsection (a), by striking “engages
11 or attempts to engage in” and inserting “con-
12 ducts or attempts to conduct”; and

13 (B) in subsection (f), by inserting the fol-
14 lowing after paragraph (3):

15 “(4) the term ‘conducts’ has the same meaning
16 as it does for purposes of section 1956 of this title.”.

17 (c) OBSTRUCTION OF JUSTICE.—Section
18 1510(b)(3)(B) of title 18, United States Code, is amended
19 by striking “or” the first time it appears and inserting
20 “, a subpoena issued pursuant to section 1782 of title 28,
21 or”.

22 **SEC. 8. EXTENSION OF THE MONEY LAUNDERING AND FI-**
23 **NANCIAL CRIMES STRATEGY ACT OF 1998.**

24 (a) TRANSMITTAL TO CONGRESS.—Section
25 5341(a)(2) of title 31, United States Code, is amended

1 by striking “and 2003” and inserting “2003, 2004, 2005,
 2 and 2006”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
 4 5355 of title 31, United States Code is amended by insert-
 5 ing after the item for fiscal year 2003 the following:

“2004	\$15,000,000
“2005	\$15,000,000
“2006	\$15,000,000.”.

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