110TH CONGRESS
1ST SESSION

H. R. 3146

To provide additional tools and resources to combat terrorism financing.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2007

Mr. DAVIS of Kentucky introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on 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

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A BILL

To provide additional tools and resources to combat terrorism financing.

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 2007".

6 **SEC. 2. INTERSTATE TRANSPORTATION OF CRIMINAL PRO-**

7   **CEEDS AND "REVERSE" MONEY LAUNDERING.**

8   (a) IN GENERAL.—Section 1957(a) of title 18,

9 United States Code, is amended to read as follows:

1   "(a)(1) Whoever, in any of the circumstances set

2 forth in subsection (d)—

3   "(A) conducts or attempts to conduct a mone-

4   tary transaction involving property of a value great-

5   er than $10,000 that is derived from specified un-

6   lawful activity, knowing that the property is derived

7   from some form of unlawful activity; or

8   "(B) conducts or attempts to conduct a mone-

9   tary transaction involving property of a value great-

10   er than $10,000, with the intent to promote the car-

11   rying on of specified unlawful activity,

12 shall be punished as provided in subsection (b).

13   "(2) Whoever, in the any of the circumstances set

14 forth in subsection (d), transports, attempts to transport,

15 or conspires to transport more than $10,000 in currency

16 in interstate commerce—

17   "(A) knowing that the currency was derived

18   from some form of unlawful activity; or

19   "(B) knowing that the currency was intended to

20   be used to promote some form of unlawful activity,

21 shall be punished as provided in subsection (b).".

22   (b) PENALTY.—Section 1957(b) of title 18, United

23 States Code, is amended—

24   (1) in paragraph (1), by striking "paragraph

25   (2)" and inserting "paragraphs (2) and (3)"; and

1   (2) by inserting after paragraph (2) the fol-

2   lowing:

3   "(3) The maximum period of incarceration for a per-

4 son convicted of an offense under subsection (a)(1)(B)

5 must not exceed the statutory maximum for the offense

6 being promoted.".

7   (c) CONFORMING AMENDMENT.—Section 1957(f) of

8 title 18, United States Code, is amended—

9   (1) in paragraph (2) by striking "and" after

10   the semicolon;

11   (2) in paragraph (3), by striking the period and

12   inserting "; and"; and

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

14   "(4) the term 'conducts' has the same meaning

15   as it does for purposes of section 1956 of this title.".

16   (d) HEADING.—

17   (1) IN GENERAL.—Section 1957 of title 18,

18   United States Code, is amended in the heading by

19   inserting "or in support of criminal activity" after

20   "specified unlawful activity".

21   (2) CHAPTER ANALYSIS.—The item relating to

22   section 1957 in the chapter analysis for chapter 95

23   of title 18, United States Code, is amended to read

24   as follows:

"1957. Conducting monetary transactions in property derived from specified un-
lawful activity or in support of criminal activity.".

1 **SEC. 3. FREEZING BANK ACCOUNTS OF PERSONS AR-**

2 **RESTED FOR OFFENSES INVOLVING THE**

3 **MOVEMENT OF MONEY ACROSS INTER-**

4 **NATIONAL BORDERS.**

5 Section 981(b) of title 18, United States Code, is

6 amended by adding at the end the following:

7 "(5)(A) If a person is arrested or charged in

8 connection with an offense described in subpara-

9 graph (C) involving the movement of funds into or

10 out of the United States, the Attorney General may

11 apply to any Federal judge or magistrate judge in

12 the district in which the arrest is made or the

13 charges are filed for an ex parte order restraining

14 any account held by the person arrested or charged

15 for not more than 30 days, except that the time may

16 be extended for good cause shown at a hearing con-

17 ducted in the manner provided in rule 43(e) of the

18 Federal Rules of Civil Procedure. The court may re-

19 ceive and consider evidence and information sub-

20 mitted by the Government that would be inadmis-

21 sible under the Federal Rules of Evidence.

22 "(B) The application for the restraining order

23 referred to in subparagraph (A) shall—

24 "(i) identify the offense for which the per-

25 son has been arrested or charged;

1   "(ii) identify the location and description

2   of the accounts to be restrained; and

3   "(iii) state that the restraining order is

4   needed to prevent the removal of the funds in

5   the account by the person arrested or charged,

6   or by others associated with such person, dur-

7   ing the time needed by the Government to con-

8   duct such investigation as may be necessary to

9   establish whether there is probable cause to be-

10   lieve that the funds in the accounts are subject

11   to forfeiture in connection with the commission

12   of any criminal offense.

13   "(C) A restraining order may be issued pursu-

14   ant to subparagraph (A) if a person is arrested or

15   charged with any offense for which forfeiture is au-

16   thorized under this title, title 31, or the Controlled

17   Substances Act.

18   "(D) For purposes of this paragraph—

19   "(i) the term 'account' includes any safe

20   deposit box and any account (as defined in sec-

21   tion 5318A(e)(1) and (e)(2)) at any financial

22   institution;

23   "(ii) the term 'account held by the person

24   arrested or charged' includes an account held in

25   the name of such person, and any account over

1   which such person has effective control as a sig-

2   natory or otherwise.

3   "(E) Restraint pursuant to this paragraph shall

4   not be deemed a seizure for purposes of subsection

5   983(a) of this title.

6   "(F) A restraining order issued pursuant to

7   this paragraph may be executed in any district in

8   which the subject account is found, or transmitted

9   to the central authority of any foreign state for serv-

10   ice in accordance with any treaty or other inter-

11   national agreement.".

12   **SEC. 4. USING BLANK CHECKS IN BEARER FORM TO SMUG-**

13   **GLE MONEY.**

14   Section 5316 of title 31, United States Code, is

15   amended by adding at the end the following:

16   "(e) MONETARY INSTRUMENTS WITH AMOUNT LEFT

17   BLANK.—For purposes of this section, a monetary instru-

18   ment that has the amount left blank shall be considered

19   to have a value in excess of $10,000 if the instrument was

20   drawn on an account that contained or was intended to

21   contain more than $10,000 at the time the instrument was

22   being transported, or at the time it was negotiated or was

23   intended to be negotiated.".

SEC. 5. PROHIBITING MONEY LAUNDERING THROUGH HAWALAS, OTHER INFORMAL VALUE TRANSFER SYSTEMS, AND CLOSELY RELATED TRANSACTIONS.

Section 1956(a)(1) of title 18, United States Code, is amended by striking "For purposes of this paragraph, a financial transaction" and inserting "For purposes of this paragraph and section 1957, a financial transaction or a monetary transaction".

SEC. 6. SECTION 1957 VIOLATIONS INVOLVING COMMINGLED FUNDS AND STRUCTURED TRANSACTIONS.

Section 1957 of title 18, United States Code, is amended by adding after subsection (f) the following:

"(g) The Government may satisfy the $10,000 requirement in subsection (a)(1) by showing that—

"(1) the monetary transaction involved the transfer, withdrawal, encumbrance, or other disposition of more than $10,000 from an account in which more than $10,000 in proceeds of specified unlawful activity was commingled with other funds; or

"(2) the defendant conducted a series of monetary transactions in amounts under $10,000 that exceeded $10,000 in the aggregate and that were closely related to each other in terms of such factors as time, the identity of the parties involved, the na-

1 ture or purpose of the transactions or the manner in

2 which they are conducted.''.

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