

Union Calendar No. 241

103D CONGRESS
2D SESSION

H. R. 3235

[Report No. 103-438]

A BILL

To amend subchapter II of chapter 53 of title 31, United States Code, to improve enforcement of antimoney laundering laws, and for other purposes.

MARCH 21, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1993

Mr. GONZALEZ (for himself and Mr. NEAL of North Carolina) introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

NOVEMBER 10, 1993

Additional sponsors: Mr. FLAKE, Mr. KANJORSKI, Mr. PICKLE, Ms. VELÁZQUEZ, and Mr. HINCHEY

MARCH 21, 1994

Additional sponsors: Mr. WYNN, Mr. TORRES, Mr. MINGE, and Mr. KLEIN

MARCH 21, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 7, 1993]

A BILL

To amend subchapter II of chapter 53 of title 31, United States Code, to improve enforcement of antimoney laundering laws, and for other purposes.

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

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

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Money Laundering Suppression Act of 1994”.*

6 (b) *TABLE OF CONTENTS.*—

Sec. 1. Short title; table of contents.

Sec. 2. Reform of CTR exemption requirements to reduce number and size of re-
ports consistent with effective law enforcement.

Sec. 3. Single designee for reporting of suspicious transactions.

Sec. 4. Improvement of identification of money laundering schemes.

Sec. 5. Negotiable instruments drawn on foreign banks subject to recordkeeping
and reporting requirements.

Sec. 6. Imposition of civil money penalties by appropriate Federal banking agen-
cies.

Sec. 7. Uniform State licensing and regulation of check cashing, currency ex-
change, and money transmitting businesses.

Sec. 8. Registration of money transmitting businesses to promote effective law en-
forcement.

Sec. 9. Uniform Federal regulation of casinos.

Sec. 10. Uniform Federal administration of recordkeeping and reporting require-
ments.

Sec. 11. Criminal and civil penalty for structuring domestic and international
transactions.

Sec. 12. GAO study of cashiers' checks.

Sec. 13. Technical corrections.

7 **SEC. 2. REFORM OF CTR EXEMPTION REQUIREMENTS TO**

8 **REDUCE NUMBER AND SIZE OF REPORTS**

9 **CONSISTENT WITH EFFECTIVE LAW EN-**

10 **FORCEMENT.**

11 (a) *IN GENERAL.*—*Section 5313 of title 31, United*
 12 *States Code, is amended by adding at the end the following*
 13 *new subsections:*

14 *“(d) MANDATORY EXEMPTIONS FROM REPORTING RE-*
 15 *QUIREMENTS.*—

1 “(1) *IN GENERAL.*—*The Secretary of the Treas-*
2 *ury shall exempt, pursuant to section 5318(a)(5), a*
3 *depository institution from the reporting require-*
4 *ments of subsection (a) with respect to transactions*
5 *between the depository institution and the following*
6 *categories of entities:*

7 “(A) *Another depository institution.*

8 “(B) *A department or agency of the United*
9 *States, any State, or any political subdivision of*
10 *any State.*

11 “(C) *Any entity established under the laws*
12 *of the United States, any State, or any political*
13 *subdivision of any State, or under an interstate*
14 *compact between 2 or more States, which exer-*
15 *cises governmental authority on behalf of the*
16 *United States, the State, or the political subdivi-*
17 *sion.*

18 “(D) *Any business or category of business*
19 *the reports on which have little or no value for*
20 *law enforcement purposes.*

21 “(2) *NOTICE OF EXEMPTION.*—*The Secretary of*
22 *the Treasury shall publish in the Federal Register at*
23 *such times as the Secretary determines to be appro-*
24 *priate (but not less frequently than once each year)*
25 *a list of all the entities whose transactions with a de-*

1 *pository institution are exempt under this subsection*
2 *from the reporting requirements of subsection (a).*

3 *“(e) DISCRETIONARY EXEMPTIONS FROM REPORTING*
4 *REQUIREMENTS.—*

5 *“(1) IN GENERAL.—The Secretary of the Treas-*
6 *ury may exempt, pursuant to section 5318(a)(5), a*
7 *depository institution from the reporting require-*
8 *ments of subsection (a) with respect to transactions*
9 *between the depository institution and a qualified*
10 *business customer of the institution on the basis of in-*
11 *formation submitted to the Secretary by the institu-*
12 *tion in accordance with procedures which the Sec-*
13 *retary shall establish.*

14 *“(2) QUALIFIED BUSINESS CUSTOMER DE-*
15 *FINED.—For purposes of this subsection, the term*
16 *‘qualified business customer’ means a business*
17 *which—*

18 *“(A) maintains a transaction account (as*
19 *defined in section 19(b)(1)(C) of the Federal Re-*
20 *serve Act) at the depository institution;*

21 *“(B) frequently engages in transactions*
22 *with the depository institution which are subject*
23 *to the reporting requirements of subsection (a);*
24 *and*

1 “(C) meets criteria which the Secretary de-
2 termines are sufficient to ensure that the pur-
3 poses of this subchapter are carried out without
4 requiring a report with respect to such trans-
5 actions.

6 “(3) CRITERIA FOR EXEMPTION.—The Secretary
7 of the Treasury shall establish, by regulation, the cri-
8 teria for granting and maintaining an exemption
9 under paragraph (1).

10 “(4) GUIDELINES.—

11 “(A) IN GENERAL.—The Secretary of the
12 Treasury shall establish guidelines for depository
13 institutions to follow in selecting customers for
14 an exemption under this subsection.

15 “(B) CONTENTS.—The guidelines may in-
16 clude a description of the types of businesses or
17 an itemization of specific businesses for which no
18 exemption will be granted under this subsection
19 to any depository institution.

20 “(5) ANNUAL REVIEW.—The Secretary of the
21 Treasury shall prescribe regulations requiring each
22 depository institution to—

23 “(A) review, at least once each year, the
24 qualified business customers of such institution

1 *with respect to whom an exemption has been*
2 *granted under this subsection; and*

3 *“(B) upon the completion of such review, re-*
4 *submit information about such customers, with*
5 *such modifications as the institution determines*
6 *to be appropriate, to the Secretary for the Sec-*
7 *retary’s approval.*

8 *“(6) 2-YEAR PHASE-IN PROVISION.—During the*
9 *2-year period beginning on the date of the enactment*
10 *of the Money Laundering Suppression Act of 1994,*
11 *this subsection shall be applied by the Secretary on*
12 *the basis of such criteria as the Secretary determines*
13 *to be appropriate to achieve an orderly implementa-*
14 *tion of the requirements of this subsection.*

15 *“(f) PROVISIONS APPLICABLE TO MANDATORY AND*
16 *DISCRETIONARY EXEMPTIONS.—*

17 *“(1) LIMITATION ON LIABILITY OF DEPOSITORY*
18 *INSTITUTIONS.—No depository institution shall be*
19 *subject to any penalty which may be imposed under*
20 *this subchapter for the failure of the institution to file*
21 *a report with respect to a transaction with a cus-*
22 *tomers for whom an exemption has been granted under*
23 *subsection (d) or (e) unless the institution—*

24 *“(A) knowingly files false or incomplete in-*
25 *formation to the Secretary with respect to the*

1 *transaction or the customer engaging in the*
2 *transaction; or*

3 “(B) *has reason to believe at the time the*
4 *exemption is granted or the transaction is en-*
5 *tered into that the customer or the transaction*
6 *does not meet the criteria established for grant-*
7 *ing such exemption.*

8 “(2) *COORDINATION WITH OTHER PROVISIONS.—*
9 *Any exemption granted by the Secretary of the Treas-*
10 *ury under section 5318(a) in accordance with this*
11 *section, and any transaction which is subject to such*
12 *exemption, shall be subject to any other provision of*
13 *law applicable to such exemption, including—*

14 “(A) *the authority of the Secretary, under*
15 *section 5318(a)(5), to revoke such exemption at*
16 *any time; and*

17 “(B) *any requirement to report, or any au-*
18 *thority to require a report on, any possible viola-*
19 *tion of any law or regulation or any suspected*
20 *criminal activity.*

21 “(g) *DEPOSITORY INSTITUTION DEFINED.—For pur-*
22 *poses of this section, the term ‘depository institution’—*

23 “(1) *has the meaning given to such term in sec-*
24 *tion 19(b)(1)(A) of the Federal Reserve Act; and*

25 “(2) *includes—*

1 “(A) any branch, agency, or commercial
2 lending company (as such terms are defined in
3 section 1(b) of the International Banking Act of
4 1978);

5 “(B) any corporation chartered under sec-
6 tion 25A of the Federal Reserve Act; and

7 “(C) any corporation having an agreement
8 or undertaking with the Board of Governors of
9 the Federal Reserve System under section 25 of
10 the Federal Reserve Act.”.

11 (b) *REPORT REDUCTION GOAL; REPORTS.*—

12 (1) *IN GENERAL.*—In implementing the amend-
13 ment made by subsection (a), the Secretary of the
14 Treasury shall seek to reduce, within a reasonable pe-
15 riod of time, the number of reports required to be filed
16 in the aggregate by depository institutions pursuant
17 to section 5313(a) of title 31, United States Code, by
18 at least 30 percent of the number filed during the
19 year preceding the date of the enactment of this Act.

20 (2) *INTERIM REPORT.*—The Secretary of the
21 Treasury shall submit a report to the Congress not
22 later than the end of the 180-day period beginning on
23 the date of the enactment of this Act on the progress
24 made by the Secretary in implementing the amend-
25 ment made by subsection (a).

1 “(4) *SINGLE DESIGNEE FOR REPORTING SUS-*
2 *PICIOUS TRANSACTIONS.*—

3 “(A) *IN GENERAL.*—*In requiring reports*
4 *under paragraph (1) of suspicious transactions,*
5 *the Secretary of the Treasury shall designate, to*
6 *the extent practicable and appropriate, a single*
7 *officer or agency of the United States to whom*
8 *such reports shall be made.*

9 “(B) *DUTY OF DESIGNEE.*—*The officer or*
10 *agency of the United States designated by the*
11 *Secretary of the Treasury pursuant to subpara-*
12 *graph (A) shall refer any report of a suspicious*
13 *transaction to any appropriate law enforcement*
14 *or supervisory agency.*

15 “(C) *COORDINATION WITH OTHER REPORT-*
16 *ING REQUIREMENTS.*—*Subparagraph (A) shall*
17 *not be construed as precluding any supervisory*
18 *agency for any financial institution from requir-*
19 *ing the financial institution to submit any infor-*
20 *mation or report to the agency or another agency*
21 *pursuant to any provision of law other than this*
22 *subsection.”.*

23 (b) *REPORTS.*—

24 (1) *REPORTS REQUIRED.*—*The Secretary of the*
25 *Treasury shall submit an annual report to the Con-*

1 gress at the times required under paragraph (2) on
2 the number of suspicious transactions reported to the
3 officer or agency designated under section
4 5318(g)(4)(A) of title 31, United States Code, during
5 the period covered by the report and the disposition
6 of such reports.

7 (2) *TIME FOR SUBMITTING REPORTS.*—The 1st
8 report required under paragraph (1) shall be filed be-
9 fore the end of the 1-year period beginning on the
10 date of the enactment of the Money Laundering Sup-
11 pression Act of 1994 and each subsequent report shall
12 be filed within 90 days after the end of each of the
13 5 calendar years which begin after such date of enact-
14 ment.

15 (c) *DESIGNATION REQUIRED TO BE MADE EXPEDI-*
16 *TIOUSLY.*—The initial designation of an officer or agency
17 of the United States pursuant to the amendment made by
18 subsection (a) shall be made before the end of the 180-day
19 period beginning on the date of the enactment of this Act.

20 **SEC. 4. IMPROVEMENT OF IDENTIFICATION OF MONEY**
21 **LAUNDERING SCHEMES.**

22 (a) *ENHANCED TRAINING, EXAMINATIONS, AND RE-*
23 *FERRALS BY BANKING AGENCIES.*—Before the end of the 6-
24 month period beginning on the date of the enactment of this
25 Act, each appropriate Federal banking agency shall, in con-

1 *sultation with the Secretary of the Treasury and other ap-*
2 *propriate law enforcement agencies—*

3 *(1) review and enhance training and examina-*
4 *tion procedures to improve the identification of*
5 *money laundering schemes involving depository insti-*
6 *tutions; and*

7 *(2) review and enhance procedures for referring*
8 *cases to any appropriate law enforcement agency.*

9 *(b) IMPROVED REPORTING OF CRIMINAL SCHEMES BY*
10 *LAW ENFORCEMENT AGENCIES.—The Secretary of the*
11 *Treasury and each appropriate law enforcement agency*
12 *shall provide, on a regular basis, information regarding*
13 *money laundering schemes and activities involving deposi-*
14 *tory institutions to each appropriate Federal banking agen-*
15 *cy in order to enhance the agency’s ability to examine for*
16 *and identify money laundering activity.*

17 *(c) REPORT TO CONGRESS.—The Financial Institu-*
18 *tions Examination Council shall submit a report on the*
19 *progress made in carrying out subsection (a) and the useful-*
20 *ness of information received pursuant to subsection (b) to*
21 *the Congress by the end of the 1-year period beginning on*
22 *the date of the enactment of this Act.*

23 *(d) DEFINITIONS.—The terms “appropriate Federal*
24 *banking agency” and “Federal banking agencies” have the*

1 *same meanings as in section 3 of the Federal Deposit Insur-*
2 *ance Act.*

3 **SEC. 5. NEGOTIABLE INSTRUMENTS DRAWN ON FOREIGN**
4 **BANKS SUBJECT TO RECORDKEEPING AND**
5 **REPORTING REQUIREMENTS.**

6 *Section 5312(a)(3) of title 31, United States Code, is*
7 *amended—*

8 *(1) by striking “and” at the end of subpara-*
9 *graph (A);*

10 *(2) by striking the period at the end of subpara-*
11 *graph (B) and inserting “; and”; and*

12 *(3) by adding at the end the following new sub-*
13 *paragraph:*

14 *“(C) as the Secretary of the Treasury shall*
15 *provide by regulation for purposes of section*
16 *5316, checks, drafts, notes, money orders, and*
17 *other similar instruments which are drawn on or*
18 *by a foreign financial institution and are not in*
19 *bearer form.”.*

20 **SEC. 6. IMPOSITION OF CIVIL MONEY PENALTIES BY AP-**
21 **PROPRIATE FEDERAL BANKING AGENCIES.**

22 *Section 5321 of title 31, United States Code, is*
23 *amended by adding at the end the following new subsection:*

24 *“(e) DELEGATION OF ASSESSMENT AUTHORITY TO*
25 *BANKING AGENCIES.—*

1 “(1) *IN GENERAL.*—*The Secretary of the Treas-*
2 *ury shall delegate, in accordance with section*
3 *5318(a)(1) and subject to such terms and conditions*
4 *as the Secretary may impose in accordance with*
5 *paragraph (3), any authority of the Secretary to as-*
6 *sess a civil money penalty under this section on de-*
7 *pository institutions (as defined in section 3 of the*
8 *Federal Deposit Insurance Act) to the appropriate*
9 *Federal banking agencies (as defined in such section*
10 *3).*

11 “(2) *AUTHORITY OF AGENCIES.*—*Subject to any*
12 *term or condition imposed by the Secretary of the*
13 *Treasury under paragraph (3), the provisions of this*
14 *section shall apply to an appropriate Federal banking*
15 *agency to which is delegated any authority of the Sec-*
16 *retary under this section in the same manner such*
17 *provisions apply to the Secretary.*

18 “(3) *TERMS AND CONDITIONS.*—

19 “(A) *IN GENERAL.*—*The Secretary of the*
20 *Treasury shall prescribe by regulation the terms*
21 *and conditions which shall apply to any delega-*
22 *tion under paragraph (1).*

23 “(B) *MAXIMUM DOLLAR AMOUNT.*—*The*
24 *terms and conditions authorized under subpara-*
25 *graph (A) may include, in the Secretary’s sole*

1 *discretion, a limitation on the amount of any*
2 *civil penalty which may be assessed by an ap-*
3 *propriate Federal banking agency pursuant to a*
4 *delegation under paragraph (1).”.*

5 **SEC. 7. UNIFORM STATE LICENSING AND REGULATION OF**
6 **CHECK CASHING, CURRENCY EXCHANGE, AND**
7 **MONEY TRANSMITTING BUSINESSES.**

8 *(a) UNIFORM LAWS AND ENFORCEMENT.—For pur-*
9 *poses of preventing money laundering and protecting the*
10 *payment system from fraud and abuse, it is the sense of*
11 *the Congress that the several States should—*

12 *(1) establish uniform laws for licensing and reg-*
13 *ulating businesses which—*

14 *(A) provide check cashing, currency ex-*
15 *change, or money transmitting or remittance*
16 *services, or issue or redeem money orders, travel-*
17 *ers’ checks, and other similar instruments; and*

18 *(B) are not depository institutions (as de-*
19 *finied in section 19(b)(1)(A) of the Federal Re-*
20 *serve Act); and*

21 *(2) provide sufficient resources to the appro-*
22 *priate State agency to enforce such laws and regula-*
23 *tions prescribed pursuant to such laws.*

24 *(b) MODEL STATUTE.—It is the sense of the Congress*
25 *that the several States should develop, through the auspices*

1 *of the National Conference of Commissioners on Uniform*
2 *State Laws, the American Law Institute, or such other*
3 *forum as the States may determine to be appropriate, a*
4 *model statute to carry out the goals described in subsection*
5 *(a) which would include the following:*

6 (1) *LICENSING REQUIREMENTS.*—*A requirement*
7 *that any business described in subsection (a)(1) be li-*
8 *censed and regulated by an appropriate State agency*
9 *in order to engage in any such activity within the*
10 *State.*

11 (2) *LICENSING STANDARDS.*—*A requirement*
12 *that—*

13 (A) *in order for any business described in*
14 *subsection (a)(1) to be licensed in the State, the*
15 *appropriate State agency shall review and ap-*
16 *prove—*

17 (i) *the business record, the fee struc-*
18 *ture, and the capital adequacy of the busi-*
19 *ness seeking the license; and*

20 (ii) *the competence, experience, integ-*
21 *egrity, and financial ability of any individ-*
22 *ual who—*

23 (I) *is a director, officer, or super-*
24 *visory employee of such business; or*

1 (ii) owns or controls such busi-
2 ness; and

3 (B) any record, on the part of any business
4 seeking the license or any person referred to in
5 subparagraph (A)(ii), of—

6 (i) any criminal activity;

7 (ii) any fraud or other act of personal
8 dishonesty;

9 (iii) any act, omission, or practice
10 which constitutes a breach of a fiduciary
11 duty; or

12 (iv) any suspension or removal, by any
13 agency or department of the United States
14 or any State, from participation in the con-
15 duct of any federally or State licensed or
16 regulated business,

17 may be grounds for the denial of any such li-
18 cense by the appropriate State agency.

19 (3) PROCEDURES TO ENSURE COMPLIANCE WITH
20 FEDERAL CASH TRANSACTION REPORTING REQUIRE-
21 MENTS.—A civil or criminal penalty for operating
22 any business referred to in paragraph (1) without es-
23 tablishing and complying with appropriate proce-
24 dures to ensure compliance with subchapter II of
25 chapter 53 of title 31, United States Code (relating to

1 *records and reports on monetary instruments trans-*
2 *actions).*

3 (4) *CRIMINAL PENALTIES FOR OPERATION OF*
4 *BUSINESS WITHOUT A LICENSE.—A criminal penalty*
5 *for operating any business referred to in paragraph*
6 *(1) without a license within the State after the end*
7 *of an appropriate transition period beginning on the*
8 *date of the enactment of such model statute by the*
9 *State.*

10 (c) *STUDY REQUIRED.—The Secretary of the Treasury*
11 *shall conduct a study of—*

12 (1) *the progress made by the several States in de-*
13 *veloping and enacting a model statute which—*

14 (A) *meets the requirements of subsection (b);*

15 *and*

16 (B) *furtheres the goals of—*

17 (i) *preventing money laundering by*
18 *businesses which are required to be licensed*
19 *under any such statute; and*

20 (ii) *protecting the payment system, in-*
21 *cluding the receipt, payment, collection, and*
22 *clearing of checks, from fraud and abuse by*
23 *such businesses; and*

24 (2) *the adequacy of—*

1 (A) the activity of the several States in en-
2 forcing the requirements of such statute; and

3 (B) the resources made available to the ap-
4 propriate State agencies for such enforcement ac-
5 tivity.

6 (d) *REPORT REQUIRED.*—Before the end of the 3-year
7 period beginning on the date of the enactment of this Act
8 and by the end of each of the first 2 1-year periods begin-
9 ning after the end of such 3-year period, the Secretary of
10 the Treasury shall submit a report to the Congress contain-
11 ing the findings and recommendations of the Secretary in
12 connection with the study under subsection (c), together
13 with such recommendations for legislative and administra-
14 tive action as the Secretary may determine to be appro-
15 priate.

16 (e) *RECOMMENDATIONS IN CASES OF INADEQUATE*
17 *REGULATION AND ENFORCEMENT BY STATES.*—If the Sec-
18 retary of the Treasury determines that any State has been
19 unable to—

20 (1) enact a statute which meets the requirements
21 described in subsection (b);

22 (2) undertake adequate activity to enforce such
23 statute; or

24 (3) make adequate resources available to the ap-
25 propriate State agency for such enforcement activity,

1 *the report submitted pursuant to subsection (d) shall con-*
2 *tain recommendations of the Secretary which are designed*
3 *to facilitate the enactment and enforcement by the State of*
4 *such a statute.*

5 *(f) FEDERAL FUNDING STUDY.—*

6 *(1) STUDY REQUIRED.—The Secretary of the*
7 *Treasury shall conduct a study to identify possible*
8 *available sources of Federal funding to cover costs*
9 *which will be incurred by the States in carrying out*
10 *the purposes of this section.*

11 *(2) REPORT.—The Secretary of the Treasury*
12 *shall submit a report to the Congress on the study*
13 *conducted pursuant to paragraph (1) before the end*
14 *of the 18-month period beginning on the date of the*
15 *enactment of this Act.*

16 **SEC. 8. REGISTRATION OF MONEY TRANSMITTING BUSI-**
17 **NESSES TO PROMOTE EFFECTIVE LAW EN-**
18 **FORCEMENT.**

19 *(a) FINDINGS AND PURPOSES.—*

20 *(1) FINDINGS.—The Congress hereby finds the*
21 *following:*

22 *(A) Money transmitting businesses are sub-*
23 *ject to the recordkeeping and reporting require-*
24 *ments of subchapter II of chapter 53 of title 31,*
25 *United States Code.*

1 (B) Money transmitting businesses are
2 largely unregulated businesses and are frequently
3 used in sophisticated schemes to—

4 (i) transfer large amounts of money
5 which are the proceeds of unlawful enter-
6 prises; and

7 (ii) evade the requirements of such sub-
8 chapter II, the Internal Revenue Code of
9 1986, and other laws of the United States.

10 (C) Information on the identity of money
11 transmitting businesses and the names of the
12 persons who own or control, or are officers or
13 employees of, a money transmitting business
14 would have a high degree of usefulness in crimi-
15 nal, tax, or regulatory investigations and pro-
16 ceedings.

17 (2) PURPOSE.—It is the purpose of this section
18 to establish a registration requirement for businesses
19 engaged in providing check cashing, currency ex-
20 change, or money transmitting or remittance services,
21 or issuing or redeeming money orders, travelers'
22 checks, and other similar instruments to assist the
23 Secretary of the Treasury, the Attorney General, and
24 other supervisory and law enforcement agencies to ef-
25 fectively enforce the criminal, tax, and regulatory

1 *laws and prevent such money transmitting businesses*
2 *from engaging in illegal activities.*

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

6 **“§ 5329. Registration of money transmitting businesses**

7 **“(a) REGISTRATION WITH SECRETARY OF THE TREAS-**
8 **URY REQUIRED.**—

9 **“(1) IN GENERAL.**—*Any person who owns or*
10 *controls a money transmitting business which is not*
11 *a depository institution (as defined in section*
12 *19(b)(1)(A) of the Federal Reserve Act) shall register*
13 *the business (whether or not the business is licensed*
14 *as a money transmitting business in any State) with*
15 *the Secretary of the Treasury before the end of the*
16 *180-day period beginning on the later of—*

17 **“(A) the date of the enactment of the Money**
18 **Laundering Suppression Act of 1994; or**

19 **“(B) the date the business is established.**

20 **“(2) FORM AND MANNER OF REGISTRATION.**—

21 *Subject to the requirements of subsection (b), the Sec-*
22 *retary of the Treasury shall prescribe, by regulation,*
23 *the form and manner for registering a money trans-*
24 *mitting business pursuant to paragraph (1).*

1 “(3) *BUSINESSES REMAIN SUBJECT TO STATE*
2 *LAW.—This section shall not be construed as supersed-*
3 *ing any requirement of State law relating to money*
4 *transmitting businesses operating in such State.*

5 “(4) *FALSE AND INCOMPLETE INFORMATION.—*
6 *The filing of false or materially incomplete informa-*
7 *tion in connection with the registration of a money*
8 *transmitting business shall be considered as a failure*
9 *to comply with the requirements of this subchapter.*

10 “(b) *CONTENTS OF REGISTRATION.—The registration*
11 *of a money transmitting business under subsection (a) shall*
12 *include the following information:*

13 “(1) *The name and location of the business.*

14 “(2) *The name and address of each person*
15 *who—*

16 “(A) *owns or controls the business;*

17 “(B) *is an director or officer of the business;*

18 *or*

19 “(C) *otherwise participates in the conduct*
20 *of the affairs of the business.*

21 “(3) *The name and address of any depository in-*
22 *stitution at which the business maintains a trans-*
23 *action account (as defined in section 19(b)(1)(C) of*
24 *the Federal Reserve Act).*

1 “(4) *An estimate of the volume of business in the*
2 *coming year (which shall be reported annually to the*
3 *Secretary).*

4 “(5) *Such other information as the Secretary of*
5 *the Treasury may require.*

6 “(c) *AGENTS OF MONEY TRANSMITTING BUSI-*
7 *NESSES.—*

8 “(1) *MAINTENANCE OF LISTS OF AGENTS OF*
9 *MONEY TRANSMITTING BUSINESSES.—Pursuant to*
10 *regulations which the Secretary of the Treasury shall*
11 *prescribe, each money transmitting business shall—*

12 “(A) *maintain a list containing the names*
13 *and addresses of all persons authorized to act as*
14 *an agent for such business in connection with ac-*
15 *tivities described in subsection (d)(1)(A) and*
16 *such other information about such agents as the*
17 *Secretary may require; and*

18 “(B) *make the list and other information*
19 *available on request to any appropriate law en-*
20 *forcement agency.*

21 “(2) *TREATMENT OF AGENT AS MONEY TRANS-*
22 *MITTING BUSINESS.—The Secretary of the Treasury*
23 *shall prescribe regulations establishing, on the basis of*
24 *such criteria as the Secretary determines to be appro-*
25 *prate, a threshold point for treating an agent of a*

1 *money transmitting business as a money transmit-*
2 *ting business for purposes of this section.*

3 *“(d) DEFINITIONS.—For purposes of this section:*

4 *“(1) MONEY TRANSMITTING BUSINESS.—The*
5 *term ‘money transmitting business’ means any busi-*
6 *ness other than the United States Postal Service*
7 *which—*

8 *“(A) provides check cashing, currency ex-*
9 *change, or money transmitting or remittance*
10 *services, or issues or redeems money orders, trav-*
11 *elers’ checks, and other similar instruments;*

12 *“(B) is required to file reports under section*
13 *5313; and*

14 *“(C) is not a depository institution (as de-*
15 *finied in section 19(b)(1)(A) of the Federal Re-*
16 *serve Act).*

17 *“(2) MONEY TRANSMITTING SERVICE.—The term*
18 *‘money transmitting service’ includes accepting cur-*
19 *rency or funds denominated in the currency of any*
20 *country and transmitting the currency or funds, or*
21 *the value of the currency or funds, by any means*
22 *through a financial agency or institution, a Federal*
23 *reserve bank or other facility of the Board of Gov-*
24 *ernors of the Federal Reserve System, or an electronic*
25 *funds transfer network.*

1 “(e) *CIVIL PENALTY FOR FAILURE TO COMPLY WITH*
2 *REGISTRATION REQUIREMENTS.*—

3 “(1) *IN GENERAL.*—Any person who fails to
4 *comply with the money transmitting business reg-*
5 *istration requirements under subsection (a) or regula-*
6 *tions prescribed under such subsection shall be liable*
7 *to the United States for a civil penalty of \$5,000 for*
8 *each such violation.*

9 “(2) *CONTINUING VIOLATION.*—Each day a vio-
10 *lation described in paragraph (1) continues shall con-*
11 *stitute a separate violation for purposes of such para-*
12 *graph.*

13 “(3) *ASSESSMENTS.*—Any penalty imposed
14 *under this subsection shall be assessed and collected by*
15 *the Secretary of the Treasury in the manner provided*
16 *in section 5321 and any such assessment shall be sub-*
17 *ject to the provisions of such section.”.*

18 “(c) *CRIMINAL PENALTY FOR FAILURE TO COMPLY*
19 *WITH REGISTRATION REQUIREMENTS.*—Section 1960(b)(1)
20 *of title 18, United States Code, is amended to read as*
21 *follows:*

22 “(1) the term ‘illegal money transmitting busi-
23 *ness’ means a money transmitting business which af-*
24 *fects interstate or foreign commerce in any manner or*
25 *degree and—*

1 “(A) is intentionally operated without an
2 appropriate money transmitting license in a
3 State where such operation is punishable as a
4 misdemeanor or a felony under State law; or

5 “(B) fails to comply with the money trans-
6 mitting business registration requirements under
7 section 5329 of title 31, United States Code, or
8 regulations prescribed under such section;”.

9 (d) *CIVIL FORFEITURE*.—Section 981(a)(1)(A) of title
10 18, United States Code, is amended by striking “or of sec-
11 tion 1956 or 1957 of this title,” and inserting “, or of sec-
12 tion 1956, 1957, or 1960 of this title,”.

13 (e) *CLERICAL AMENDMENT*.—The table of sections for
14 chapter 53 of title 31, United States Code, is amended by
15 inserting after the item relating to section 5328 the follow-
16 ing new item:

 “5329. Registration of money transmitting businesses.”.

17 **SEC. 9. UNIFORM FEDERAL REGULATION OF CASINOS.**

18 *AMENDMENT TO DEFINITION OF FINANCIAL INSTITU-*
19 *TION TO SPECIFICALLY INCLUDE CERTAIN CASINOS*.—Sec-
20 tion 5312(a)(2) of title 31, United States Code, is amend-
21 ed—

22 (1) by redesignating subparagraphs (X) and (Y)
23 as subparagraphs (Y) and (Z), respectively; and

24 (2) by inserting after subparagraph (W) the fol-
25 lowing new subparagraph:

1 “(X) a casino, gambling casino, or gaming
2 establishment with an annual gaming revenue of
3 more than \$1,000,000 which—

4 “(i) is licensed as a casino or gambling
5 casino under the laws of any State or any
6 political subdivision of any State; or

7 “(ii) is an Indian gaming operation
8 conducted under or pursuant to the Indian
9 Gaming Regulatory Act other than an oper-
10 ation which is limited to class I gaming (as
11 defined in section 4(6) of such Act);”.

12 **SEC. 10. UNIFORM FEDERAL ADMINISTRATION OF RECORD-**
13 **KEEPING AND REPORTING REQUIREMENTS.**

14 (a) *IN GENERAL.*—Section 5318 of title 31, United
15 States Code, is amended by adding at the end the following
16 new subsection:

17 “(i) *UNIFORM ADMINISTRATION OF SUBCHAPTER.*—

18 “(1) *NO EXEMPTIONS.*—No exemption from any
19 recordkeeping or reporting requirement of this sub-
20 chapter, including paragraph (1), or of any regula-
21 tion prescribed pursuant to this subchapter may be
22 granted to—

23 “(A) any State or any political subdivision
24 of a State on behalf of any financial institution
25 which but, for such exemption, would be required

1 to maintain records or file reports under this
2 subchapter or regulations prescribed by the Sec-
3 retary of the Treasury pursuant to this sub-
4 chapter; or

5 “(B) any financial institution on the basis
6 that any State, any political subdivision of any
7 State, or any officer, agency, or other authority
8 of any such State or political subdivision regu-
9 lates or examines such institution.

10 “(2) *REPORTS REQUIRED TO BE FILED WITH*
11 *FEDERAL AGENCY.*—Any report required under this
12 subchapter or regulations prescribed by the Secretary
13 of the Treasury pursuant to this subchapter shall be
14 filed by the person required to make the report with
15 the Secretary of the Treasury or an officer or agency
16 of the United States designated by the Secretary to re-
17 ceive such report.”.

18 (b) *TECHNICAL AND CONFORMING AMENDMENTS.*—
19 Section 5318(a) of title 31, United States Code, is amend-
20 ed—

21 (1) in paragraph (1), by inserting “or (i)” after
22 “subsection (b)(2)”; and

23 (2) in paragraph (5), by inserting “except as
24 provided in subsection (i),” before “prescribe an ap-
25 propriate exemption”.

1 (c) *REVOCATION OF PRIOR EXEMPTION.*—Any exemp-
2 tion granted under subchapter II of chapter 53 of title 31,
3 United States Code, by the Secretary of the Treasury before
4 the date of the enactment of the Money Laundering Sup-
5 pression Act of 1994 to any State or local government on
6 behalf of any financial institution (as defined in such sub-
7 chapter) is hereby revoked as of the end of the 30-day period
8 beginning on the date of the enactment of this Act.

9 **SEC. 11. CRIMINAL AND CIVIL PENALTY FOR STRUCTURING**
10 **DOMESTIC AND INTERNATIONAL TRANS-**
11 **ACTIONS.**

12 (a) *CRIMINAL PENALTY.*—Section 5324 of title 31,
13 United States Code, is amended by adding at the end the
14 following new subsection:

15 “(c) *CRIMINAL PENALTY.*—

16 “(1) *IN GENERAL.*—Whoever violates this section
17 shall be fined in accordance with title 18, United
18 States Code, imprisoned for not more than 5 years,
19 or both.

20 “(2) *ENHANCED PENALTY FOR AGGRAVATED*
21 *CASES.*—Whoever violates this section while violating
22 another law of the United States or as part of a pat-
23 tern of any illegal activity involving more than
24 \$100,000 in a 12-month period shall be fined twice
25 the amount provided in subsection (b)(3) or (c)(3) (as

1 *the case may be) of section 3571 of title 18, United*
2 *States Code, imprisoned for not more than 10 years,*
3 *or both.”.*

4 **(b) AMENDMENT RELATING TO CIVIL PENALTY.**—*Sec-*
5 *tion 5321(a)(4)(A) of title 31, United States Code, is*
6 *amended by striking “willfully”.*

7 **(c) TECHNICAL AND CONFORMING AMENDMENT.**—*Sub-*
8 *sections (a) and (b) of section 5322 of title 31, United States*
9 *Code, are amended by inserting “or 5324” after “section*
10 *5315” each place such term appears.*

11 **SEC. 12. GAO STUDY OF CASHIERS’ CHECKS.**

12 **(a) STUDY REQUIRED.**—*The Comptroller General of*
13 *the United States shall conduct a study to—*

14 (1) *determine the extent to which the practice of*
15 *issuing of cashiers’ checks by financial institutions is*
16 *vulnerable to money laundering schemes;*

17 (2) *determine the extent to which additional rec-*
18 *ordkeeping requirements should be imposed on finan-*
19 *cial institutions which issue cashiers’ checks; and*

20 (3) *analyze such other factors relating to the use*
21 *and regulation of cashiers’ checks as the Comptroller*
22 *General determines to be appropriate.*

23 **(b) REPORT REQUIRED.**—*Before the end of the 6-*
24 *month period beginning on the date of the enactment of this*

1 *Act, the Comptroller General shall submit a report to the*
2 *Congress containing—*

3 *(1) the findings and conclusions of the Comptrol-*
4 *ler General in connection with the study conducted*
5 *pursuant to subsection (a); and*

6 *(2) such recommendations for legislative and ad-*
7 *ministrative action as the Comptroller General may*
8 *determine to be appropriate.*

9 **SEC. 13. TECHNICAL CORRECTIONS.**

10 *(a) TITLE 31, U.S.C., AMENDMENTS.—*

11 *(1) Section 5321(a)(5)(A) of title 31, United*
12 *States Code, is amended by inserting “any violation*
13 *of” after “causing”.*

14 *(2) Section 5324(a) of title 31, United States*
15 *Code, is amended—*

16 *(A) by striking “section 5313(a), section*
17 *5325, or the regulations issued thereunder or sec-*
18 *tion 5325 or regulations prescribed under such*
19 *section 5325” each place such term appears and*
20 *inserting “section 5313(a) or 5325 or any regu-*
21 *lation prescribed under any such section”; and*

22 *(B) by striking “with respect to such trans-*
23 *action”.*

24 *(b) AMENDMENT RELATING TO TITLE 31, U.S.C.—*

1 (1) *Effective as of the date of the enactment of*
2 *the Annunzio-Wylie Anti-Money Laundering Act, sec-*
3 *tion 1517(b) of such Act is amended by striking*
4 *“5314” and inserting “5318”.*

5 (2) *Section 5239 of the Revised Statutes of the*
6 *United States is amended by redesignating the 2d*
7 *subsection (c) (as added by section 1502(a) of the An-*
8 *nunzio-Wylie Anti-Money Laundering Act) as sub-*
9 *section (d).*

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