

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1664

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

---

## IN THE SENATE OF THE UNITED STATES

NOVEMBER 17 (legislative day, NOVEMBER 2), 1993

Mr. BRYAN (for himself, Mr. BOND, and Mr. RIEGLE) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

## A BILL

To amend subchapter II of chapter 53 of title 31, United States Code, to improve enforcement of anti-money 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.**

4 This Act may be cited as the “Anti-Money Launder-  
5 ing Act of 1993”.

1 **SEC. 2. REFORM OF CTR EXEMPTION REQUIREMENTS TO**  
2 **REDUCE NUMBER AND SIZE OF REPORTS**  
3 **CONSISTENT WITH EFFECTIVE LAW EN-**  
4 **FORCEMENT.**

5 (a) IN GENERAL.—Section 5313 of title 31, United  
6 States Code, is amended by adding at the end the follow-  
7 ing new subsections:

8 “(d) MANDATORY EXEMPTIONS FROM REPORTING  
9 REQUIREMENTS.—

10 “(1) IN GENERAL.—The Secretary of the  
11 Treasury shall exempt, pursuant to section  
12 5318(a)(5), a depository institution from the report-  
13 ing requirements of subsection (a) (and regulations  
14 prescribed under such subsection) with respect to  
15 transactions between the depository institution and  
16 the following categories of entities:

17 “(A) Another depository institution.

18 “(B) A department or agency of the  
19 United States, any State, or any political sub-  
20 division of any State, including any entity es-  
21 tablished under the laws of the United States,  
22 any State, or any political subdivision of any  
23 State, or under an interstate compact between  
24 2 or more States, which exercises governmental  
25 authority on behalf of the United States, the  
26 State, or the political subdivision.

1           “(C) Any business or category of business  
2           the reports on which have little or no value for  
3           law enforcement purposes.

4           “(2) NOTICE OF EXEMPTION.—The Secretary  
5           of the Treasury shall publish in the Federal Register  
6           at such times as the Secretary determines to be ap-  
7           propriate (but not less frequently than once each  
8           year) a list of all the entities whose transactions  
9           with a depository institution are exempt under this  
10          subsection from the reporting requirements of sub-  
11          section (a) (and regulations prescribed under such  
12          subsection).

13          “(e) DISCRETIONARY EXEMPTIONS FROM REPORT-  
14          ING REQUIREMENTS.—

15          “(1) IN GENERAL.—The Secretary of the  
16          Treasury may exempt, pursuant to section  
17          5318(a)(5), a depository institution from the report-  
18          ing requirements of subsection (a) (and regulations  
19          prescribed under such subsection) with respect to  
20          transactions between the depository institution and a  
21          qualified business customer of the institution on the  
22          basis of information submitted to the Secretary by  
23          the institution in accordance with procedures which  
24          the Secretary shall establish.

1           “(2) QUALIFIED BUSINESS CUSTOMER DE-  
2 FINED.—For purposes of this subsection, the term  
3 ‘qualified business customer’ means a business  
4 which—

5           “(A) maintains a transaction account (as  
6 defined in section 19(b)(1)(C) of the Federal  
7 Reserve Act) at the depository institution;

8           “(B) frequently engages in transactions  
9 with the depository institution which are subject  
10 to the reporting requirements of subsection (a)  
11 (and regulations prescribed under such sub-  
12 section); and

13           “(C) meets criteria which the Secretary de-  
14 termines are sufficient to ensure that the pur-  
15 poses of this subchapter are carried out without  
16 requiring a report with respect to such trans-  
17 actions.

18           “(3) CRITERIA FOR EXEMPTION.—The Sec-  
19 retary of the Treasury shall establish, by regulation,  
20 the criteria for granting and maintaining an exemp-  
21 tion under paragraph (1).

22           “(4) GUIDELINES.—

23           “(A) IN GENERAL.—The Secretary of the  
24 Treasury shall establish guidelines for deposi-

1 tory institutions to follow in selecting customers  
2 for an exemption under this subsection.

3 “(B) CONTENTS.—The guidelines may in-  
4 clude a description of the types of businesses or  
5 an itemization of specific businesses for which  
6 no exemption will be granted under this sub-  
7 section to any depository institution.

8 “(5) ANNUAL REVIEW.—The Secretary of the  
9 Treasury shall prescribe regulations requiring each  
10 depository institution to—

11 “(A) review, at least once each year, the  
12 qualified business customers of such institution  
13 with respect to whom an exemption has been  
14 granted under this subsection; and

15 “(B) upon the completion of such review,  
16 resubmit information about such customers,  
17 with such modifications as the institution deter-  
18 mines to be appropriate, to the Secretary for  
19 the Secretary’s approval.

20 “(f) PROVISIONS APPLICABLE TO MANDATORY AND  
21 DISCRETIONARY EXEMPTIONS.—

22 “(1) LIMITATION ON LIABILITY OF DEPOSITORY  
23 INSTITUTIONS.—No depository institution shall be  
24 subject to any penalty which may be imposed under  
25 this subchapter for the failure of the institution to

1 file a report with respect to a transaction with a cus-  
2 tomer for whom an exemption has been granted  
3 under subsection (d) or (e) unless the institution—

4 “(A) knowingly files false or incomplete in-  
5 formation to the Secretary with respect to the  
6 transaction or the customer engaging in the  
7 transaction; or

8 “(B) has reason to believe at the time the  
9 exemption is granted or the transaction is en-  
10 tered into that the customer or the transaction  
11 does not meet the criteria established for grant-  
12 ing such exemption.

13 “(2) COORDINATION WITH OTHER PROVI-  
14 SIONS.—Any exemption granted by the Secretary of  
15 the Treasury under section 5318(a) in accordance  
16 with this section, and any transaction which is sub-  
17 ject to such exemption, shall be subject to any other  
18 provision of law applicable to such exemption, in-  
19 cluding—

20 “(A) the authority of the Secretary, under  
21 section 5318(a)(5), to revoke such exemption at  
22 any time; and

23 “(B) any requirement to report, or any au-  
24 thority to require a report on, any possible vio-

1           lation of any law or regulation or any suspected  
2           criminal activity.

3           “(g) DEPOSITORY INSTITUTION DEFINED.—For pur-  
4 poses of this section, the term ‘depository institution’ has  
5 the meaning given to such term in section 19(b)(1)(A) of  
6 the Federal Reserve Act.”.

7           (b) REPORT REDUCTION GOAL; REPORTS.—

8           (1) IN GENERAL.—In implementing the amend-  
9 ment made by subsection (a), the Secretary of the  
10 Treasury shall seek to reduce, within a reasonable  
11 period of time, the number of reports required to be  
12 filed in the aggregate by depository institutions pur-  
13 suant to section 5313(a) of title 31, United States  
14 Code, by at least 30 percent of the number filed dur-  
15 ing the year preceding the date of enactment of this  
16 Act.

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

23           (3) ANNUAL REPORT.—The Secretary of the  
24 Treasury shall submit an annual report to the Con-  
25 gress after the end of each of the first 5 calendar

1 years which begin after the date of enactment of this  
2 Act on the extent to which the Secretary has re-  
3 duced the overall number of currency transaction re-  
4 ports filed with the Secretary pursuant to section  
5 5313(a) of title 31, United States Code, consistently  
6 with the purposes of such section and effective law  
7 enforcement.

8 (c) STREAMLINED CURRENCY TRANSACTION RE-  
9 PORTS.—The Secretary of the Treasury shall take such  
10 action as may be appropriate to redesign the format of  
11 reports required to be filed by any depository institution  
12 under section 5313(a) of title 31, United States Code, to  
13 eliminate the need to report information which has little  
14 or no value for law enforcement purposes and reduce the  
15 time and effort required to prepare such report for filing  
16 by any depository institution under such section.

17 **SEC. 3. SINGLE DESIGNEE FOR REPORTING OF SUSPICIOUS**  
18 **TRANSACTIONS.**

19 (a) IN GENERAL.—Section 5318(g) of title 31,  
20 United States Code, is amended by adding at the end the  
21 following new paragraph:

22 “(4) SINGLE DESIGNEE FOR REPORTING SUS-  
23 PICIOUS TRANSACTIONS.—

24 “(A) IN GENERAL.—In requiring reports  
25 under paragraph (1) of suspicious transactions,

1 the Secretary of the Treasury shall designate,  
2 to the extent practicable and appropriate, a sin-  
3 gle officer or agency of the United States to  
4 whom such reports shall be made.

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

11 “(C) COORDINATION WITH OTHER RE-  
12 PORTING REQUIREMENTS.—Subparagraph (A)  
13 shall not be construed as precluding any super-  
14 visory agency for any financial institution from  
15 requiring the financial institution to submit any  
16 information or report to the agency or another  
17 agency pursuant to any provision of law other  
18 than this subsection.

19 “(D) REPORTS.—

20 “(i) REPORTS REQUIRED.—The Sec-  
21 retary of the Treasury shall submit an an-  
22 nual report to the Congress at the times  
23 required under clause (ii) on the number of  
24 suspicious transactions reported to the offi-  
25 cer or agency designated under subpara-

1 graph (A) during the period covered by the  
2 report and the disposition of such reports.

3 “(ii) TIME FOR SUBMITTING RE-  
4 PORTS.—The 1st report required under  
5 clause (i) shall be filed before the end of  
6 the 1-year period beginning on the date of  
7 enactment of the Anti-Money Laundering  
8 Act of 1993 and each subsequent report  
9 shall be filed within 90 days after the end  
10 of each of the 5 calendar years which begin  
11 after such date of enactment.”.

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

17 **SEC. 4. BANKING AGENCY PILOT PROGRAMS TO IDENTIFY**  
18 **MONEY LAUNDERING SCHEMES.**

19 Before the end of the 6-month period beginning on  
20 the date of enactment of this Act, the Comptroller of the  
21 Currency and the Board of Governors of the Federal Re-  
22 serve System shall each establish a pilot program designed  
23 to test the feasibility of using examiners employed by the  
24 agency to identify money laundering schemes involving de-  
25 pository institutions for which the agency is the appro-

1 priate Federal banking agency (as defined in section 3(q))  
2 of the Federal Deposit Insurance 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,  
7 is amended—

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

10 (2) by striking the period at the end of sub-  
11 paragraph (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, checks, drafts, notes,  
16 money orders, and other similar instruments  
17 which are drawn on a foreign financial institu-  
18 tion and are not in bearer form.”.

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

21 Section 5321 of title 31, United States Code, is  
22 amended by adding at the end the following new sub-  
23 section:

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

1           “(1) IN GENERAL.—The Secretary of the  
2 Treasury 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  
12 any term or condition imposed by the Secretary of  
13 the Treasury under paragraph (3), the provisions of  
14 this section shall apply to an appropriate Federal  
15 banking agency to which is delegated any authority  
16 of the Secretary under this section in the same man-  
17 ner such 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,**  
7 **AND 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, trav-  
17 elers’ checks, and other similar instruments;  
18 and

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

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

1 (b) MODEL STATUTE.—It is the sense of the Con-  
2 gress that the several States should develop, through the  
3 auspices of the National Conference of Commissioners on  
4 Uniform State Laws, the American Law Institute, or such  
5 other forum as the States may determine to be appro-  
6 priate, a model statute to carry out the goals described  
7 in subsection (a) which would include the following:

8 (1) LICENSING REQUIREMENTS.—A require-  
9 ment that any business described in subsection  
10 (a)(1) be licensed and regulated by an appropriate  
11 State agency in order to engage in any such activity  
12 within the State.

13 (2) LICENSING STANDARDS.—A requirement  
14 that—

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

19 (i) the business record and the capital  
20 adequacy of the business seeking the li-  
21 cense; and

22 (ii) the competence, experience, integ-  
23 rity, and financial ability of any individual  
24 who—

1 (I) is a director, officer, or super-  
2 visory employee of such business; or

3 (II) owns or controls such busi-  
4 ness; and

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

8 (i) any criminal activity;

9 (ii) any fraud or other act of personal  
10 dishonesty;

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

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

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

21 (3) PROCEDURES TO ENSURE COMPLIANCE  
22 WITH FEDERAL CASH TRANSACTION REPORTING RE-  
23 QUIREMENTS.—A civil or criminal penalty for oper-  
24 ating any business referred to in paragraph (1)  
25 without establishing and complying with appropriate

1 procedures to ensure compliance with subchapter II  
2 of chapter 53 of title 31, United States Code (relat-  
3 ing to records and reports on monetary instruments  
4 transactions).

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

12 (c) STUDY REQUIRED.—The Secretary of the Treas-  
13 ury shall conduct a study of—

14 (1) the progress made by the several States in  
15 developing and enacting a model statute which—

16 (A) meets the requirements of subsection  
17 (b); and

18 (B) furthers the goals of—

19 (i) preventing money laundering by  
20 businesses which are required to be li-  
21 censed under any such statute; and

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

1 (2) the adequacy of—

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

4 (B) the resources made available to the ap-  
5 propriate State agencies for such enforcement  
6 activity.

7 (d) REPORT REQUIRED.—Before the end of the 3-  
8 year period beginning on the date of enactment of this  
9 Act and by the end of each of the first 2 1-year periods  
10 beginning after the end of such 3-year period, the Sec-  
11 retary of the Treasury shall submit a report to the Con-  
12 gress containing the findings and recommendations of the  
13 Secretary in connection with the study under subsection  
14 (c), together with such recommendations for legislative  
15 and administrative action as the Secretary may determine  
16 to be appropriate, including any recommendation pursu-  
17 ant to subsection (e).

18 (e) RECOMMENDATIONS FOR INCENTIVES OR SANC-  
19 TIONS IN CASES OF INADEQUATE REGULATION AND EN-  
20 FORCEMENT BY STATES.—If the Secretary of the Treas-  
21 ury determines that any State has failed—

22 (1) to enact a statute which meets the require-  
23 ments described in subsection (b);

24 (2) to undertake adequate activity to enforce  
25 such statute; or

1           (3) to make adequate resources available to the  
2           appropriate State agency for such enforcement activ-  
3           ity,

4 the report submitted pursuant to subsection (d) shall con-  
5 tain recommendations for legislation establishing incen-  
6 tives which may be provided or sanctions which may be  
7 imposed to remedy such failure.

8 **SEC. 8. REGISTRATION OF MONEY TRANSMITTING BUSI-**  
9                   **NESSES TO PROMOTE EFFECTIVE LAW EN-**  
10                   **FORCEMENT.**

11           (a) FINDINGS AND PURPOSES.—

12                   (1) FINDINGS.—The Congress hereby finds the  
13           following:

14                           (A) Money transmitting businesses are  
15                           subject to the recordkeeping and reporting re-  
16                           quirements of subchapter II of chapter 53 of  
17                           title 31, United States Code.

18                           (B) Money transmitting businesses are  
19                           largely unregulated businesses and are fre-  
20                           quently used in sophisticated schemes to—

21                                   (i) transfer large amounts of money  
22                                   which are the proceeds of unlawful enter-  
23                                   prises; and

24                                   (ii) evade the requirements of such  
25                                   subchapter II, the Internal Revenue Code

1 of 1986, and other laws of the United  
2 States.

3 (C) Information on the identity of money  
4 transmitting businesses and the names of the  
5 persons who own or control, or are officers or  
6 employees of, a money transmitting business  
7 would have a high degree of usefulness in crimi-  
8 nal, tax, or regulatory investigations and pro-  
9 ceedings.

10 (2) PURPOSE.—It is the purpose of this section  
11 to establish a registration requirement for businesses  
12 engaged in providing check cashing, currency ex-  
13 change, or money transmitting or remittance serv-  
14 ices, or issuing or redeeming money orders, travel-  
15 ers' checks, and other similar instruments to assist  
16 the Secretary of the Treasury, the Attorney General,  
17 and other supervisory and law enforcement agencies  
18 to effectively enforce the criminal, tax, and regu-  
19 latory laws and prevent such money transmitting  
20 businesses from engaging in illegal activities.

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

1 **“§ 5329. Registration of money transmitting busi-**  
2 **nesses**

3 “(a) REGISTRATION WITH SECRETARY OF THE  
4 TREASURY REQUIRED.—

5 “(1) IN GENERAL.—Any person who owns or  
6 controls a money transmitting business which is not  
7 a depository institution (as defined in section  
8 19(b)(1)(A) of the Federal Reserve Act) shall reg-  
9 ister the business (whether or not the business is li-  
10 censed as a money transmitting business in any  
11 State) with the Secretary of the Treasury before the  
12 end of the 180-day period beginning on the later  
13 of—

14 “(A) the date of enactment of this section;

15 or

16 “(B) the date the business is established.

17 “(2) FORM AND MANNER OF REGISTRATION.—

18 Subject to the requirements of subsection (b), the  
19 Secretary of the Treasury shall prescribe, in regula-  
20 tions, the form and manner for registering a money  
21 transmitting business pursuant to paragraph (1).

22 “(3) BUSINESSES REMAIN SUBJECT TO STATE  
23 LAW.—This section shall not be construed as super-  
24 seding any requirement of State law relating to  
25 money transmitting businesses operating in such  
26 State.

1           “(4) FALSE AND INCOMPLETE INFORMATION.—  
2           The filing of false or materially incomplete informa-  
3           tion in connection with the registration of a money  
4           transmitting business shall be considered as a failure  
5           to comply with the requirements of this subsection.

6           “(b) CONTENTS OF REGISTRATION.—The registra-  
7           tion of a money transmitting business under subsection  
8           (a) shall include the following information:

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

10           “(2) The name and address of each person  
11           who—

12           “(A) owns or controls the business;

13           “(B) is an director or officer of the busi-  
14           ness; or

15           “(C) otherwise participates in the conduct  
16           of the affairs of the business.

17           “(3) The name and address of any depository  
18           institution at which the business maintains a trans-  
19           action account (as defined in section 19(b)(1)(C) of  
20           the Federal Reserve Act).

21           “(4) Such other information as the Secretary of  
22           the Treasury may require.

23           “(c) DEFINITIONS.—For purposes of this section—

24           “(1) MONEY TRANSMITTING BUSINESS.—The  
25           term ‘money transmitting business’ means any busi-

1       ness other than the United States Postal Service  
2       which—

3               “(A) provides check cashing, currency ex-  
4               change, or money transmitting or remittance  
5               services, or issues or redeems money orders,  
6               travelers’ checks, and other similar instruments;

7               “(B) is required to file reports under sec-  
8               tion 5313; and

9               “(C) is not a depository institution (as de-  
10              fined in section 19(b)(1)(A) of the Federal Re-  
11              serve Act).

12             “(2) MONEY TRANSMITTING SERVICE.—The  
13             term ‘money transmitting service’ includes accepting  
14             currency or funds denominated in the currency of  
15             any country and transmitting the currency or funds,  
16             or the value of the currency or funds, by any means  
17             through a financial agency or institution, a Federal  
18             reserve bank or other facility of the Board of Gov-  
19             ernors of the Federal Reserve System, or an elec-  
20             tronic funds transfer network.

21             “(d) CIVIL PENALTY FOR FAILURE TO COMPLY  
22             WITH REGISTRATION REQUIREMENTS.—

23             “(1) IN GENERAL.—Any person who fails to  
24             comply with the money transmitting business reg-  
25             istration requirements under subsection (a) or regu-

1 lations prescribed under such subsection shall be lia-  
2 ble to the United States for a civil penalty of \$5,000  
3 for each such violation.

4 “(2) CONTINUING VIOLATION.—Each day a vio-  
5 lation described in paragraph (1) continues shall  
6 constitute a separate violation for purposes of such  
7 paragraph.

8 “(3) ASSESSMENTS.—Any penalty imposed  
9 under this subsection shall be assessed and collected  
10 by the Secretary of the Treasury in the manner pro-  
11 vided in section 5321 and any such assessment shall  
12 be subject to the provisions of such section.”.

13 (c) CRIMINAL PENALTY FOR FAILURE TO COMPLY  
14 WITH REGISTRATION REQUIREMENTS.—Section  
15 1960(b)(1) of title 18, United States Code, is amended  
16 to read as follows:

17 “(1) the term ‘illegal money transmitting busi-  
18 ness’ means a money transmitting business which  
19 affects interstate or foreign commerce in any man-  
20 ner or degree and—

21 “(A) is intentionally operated without an  
22 appropriate money transmitting license in a  
23 State where such operation is punishable as a  
24 misdemeanor or a felony under State law; or

1           “(B) fails to comply with the money trans-  
2           mitting business registration requirements  
3           under section 5329 of title 31, United States  
4           Code, or regulations prescribed under such sec-  
5           tion;”.

6           (d) CIVIL FORFEITURE.—Section 981(a)(1)(A) of  
7           title 18, United States Code, is amended by striking “or  
8           of section 1956 or 1957 of this title,” and inserting “,  
9           of section 1956, 1957, or 1960 of this title,”.

10          (e) CLERICAL AMENDMENT.—The table of sections  
11           for chapter 53 of title 31, United States Code, is amended  
12           by inserting after the item relating to section 5328 the  
13           following new item:

          “5329. Registration of money transmitting businesses.”.

14   **SEC. 9. TREASURY STUDY OF CASHIERS' CHECKS.**

15           (a) STUDY REQUIRED.—The Secretary of the Treas-  
16           ury shall conduct a study to determine—

17               (1) the extent to which the practice of issuing  
18               of cashiers' checks by financial institutions is vulner-  
19               able to money laundering schemes;

20               (2) the extent to which additional recordkeeping  
21               requirements should be imposed on financial institu-  
22               tions which issue cashiers' checks; and

23               (3) such other factors relating to the use and  
24               regulation of cashiers' checks as the Secretary deter-  
25               mines to be appropriate.

1 (b) REPORT REQUIRED.—Before the end of the 180-  
2 day period beginning on the date of enactment of this Act,  
3 the Secretary of the Treasury shall submit a report to the  
4 Congress containing—

5 (1) the findings and conclusions of the Sec-  
6 retary in connection with the study conducted pursu-  
7 ant to subsection (a); and

8 (2) such recommendations for legislative and  
9 administrative action as the Secretary may deter-  
10 mine to be appropriate.

○

S 1664 IS—2

S 1664 IS—3