

HOUSE No. 1681

The Commonwealth of Massachusetts

PRESENTED BY:

John F. Quinn

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to money laundering.

PETITION OF:

NAME:

John F. Quinn

DISTRICT/ADDRESS:

9th Bristol

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1692 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO MONEY LAUNDERING.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. The last paragraph of section 172 of Chapter 6 of the General Laws, as appearing in the 2001 Official
2 Edition, is hereby amended by adding the following sentence:— Notwithstanding any other provisions of this
3 section, the Division of Banks shall be deemed a criminal justice agency for purposes of all matters within its
4 jurisdiction.
- 5 SECTION 2. Section 4 of Chapter 167F of the General Laws, is hereby amended by adding the following
6 sentence:— Any license issued under this chapter to a licensee who is convicted of violating Section 37F of Chapter
7 266 shall be deemed revoked.
- 8 SECTION 3. Chapter 169 of the General Laws, is hereby amended by striking out section 16, as appearing in the
9 2001 Official Edition, and inserting in place thereof the following section:—
- 10 Section 16. Whoever violates any provision of this chapter or any rule or regulation made hereunder by the
11 Commissioner shall be punished by a fine of not more than \$5000 or by imprisonment in state prison for not more
12 than five years; or both. Any license issued under this chapter to a licensee who is convicted of violating Section
13 37F of Chapter 266 shall be deemed revoked.
- 14 SECTION 4. Section 13 of Chapter 169A of the General Laws, is hereby amended by adding the following
15 sentence:— Any license issued under this chapter to a licensee who is convicted of violating Section 37F of Chapter
16 266 shall be deemed revoked.
- 17 SECTION 5. Chapter 266 of the General Laws, as appearing in the 2001 Official Edition, is hereby amended by
18 inserting after Section 37E the following section:—
- 19 Section 37F
- 20 (A) For purposes of this section, the following words shall have the following meanings:
- 21 “Financial institution” means: (i) a bank, federal bank, or foreign bank as defined in Chapter 167 of the General
22 Laws; (ii) any licensee operating as a money transmitter pursuant to Chapter 169; (iii) a check casher as defined in
23 Chapter 169A; or (iv) any business or agency which engages in any activity which the Commissioner of Banks
24 determines, by regulation, to be an activity which is similar to, related to, or a substitute for any activity in which
25 any business described in this paragraph is authorized to engage.
- 26 “Financial transaction” means: (a) a transaction which in any way or degree affects interstate or foreign commerce
27 (1) involving the movement of funds by wire or other means or (2) involving one or more monetary instruments, or
28 (3) involving the transfer of title to any real property, vehicle, vessel, or aircraft, or (b) a transaction involving the
29 use of a financial institution which is engaged in, or the activities of which affect, interstate or foreign commerce in
30 any way or degree.
- 31 “Monetary instrument” means: the coins and currency of the United States or any foreign country; bank checks,

32 drafts, notes, money orders, travelers' checks or similar negotiable instruments drawn on or issued by a domestic
33 financial institution; bearer investment securities, bearer securities, stock on which title is passed on delivery; gold,
34 silver, platinum bullion or coins; any bank checks, drafts, notes, money orders, and other similar negotiable
35 instruments which are drawn on or issued by a foreign financial institution and are not in bearer form; and as the
36 Commissioner of Banks may prescribe by regulation. For purposes of such determination, the Commissioner of
37 Banks may look to regulations promulgated by the Secretary of the Treasury pursuant to 31 U.S.C. 5312.

38 (B) (1) Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form
39 of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds
40 of specified unlawful activity:

41 (a) knowing that the transaction is designed in whole or in part:

42 (i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of
43 specified unlawful activity; or
44 (ii) to avoid a transaction reporting requirement under State or Federal law,
45 shall be sentenced to a fine of not more than \$100,000 per incident or twice the value of the property involved in the
46 transaction, whichever is greater, or imprisonment for not more than twenty years, or both.

47 (2) Whoever transports, transmits, or transfers, or attempts to transport, transmit, or transfer a monetary instrument
48 or funds from a place in the United States to or through a place outside the United States or to a place in the United
49 States from or through a place outside the United States:

50 (A) with the intent to promote the carrying on of specified unlawful activity; or
51 (B) knowing that the monetary instrument or funds involved in the transportation, transmission, or transfer represent
52 the proceeds of some form of unlawful activity and knowing that such transportation, transmission, or transfer is
53 designed in whole or in part:

54 (i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of
55 specified unlawful activity; or
56 (ii) to avoid a transaction reporting requirement under State or Federal law,
57 shall be sentenced to a fine of not more than \$100,000 or twice the value of the monetary instrument or funds
58 involved in the transportation, transmission, or transfer, whichever is greater, or imprisonment for not more than
59 twenty years, or both.

60 (3) Whoever, with the intent:

61 (A) to promote the carrying on of specified unlawful activity;
62 (B) to conceal or disguise the nature, location, source, ownership, or control of property believed to be the proceeds
63 of specified unlawful activity; or
64 (C) to avoid a transaction reporting requirement under State or Federal law,
65 conducts or attempts to conduct a financial transaction involving property represented to be the proceeds of
66 specified unlawful activity, or property used to conduct or facilitate specified unlawful activity, shall be fined
67 \$100,000 or imprisoned for not more than 20 years, or both.

68 (4) A financial institution shall make and retain a record of all transactions involving more than \$10,000 in cash or a
69 monetary instrument with a value of more than \$10,000. A financial institution shall be deemed in compliance with
70 this section by filing a copy of a report required under Section 5313, 5314, or 5315 or Title 31 of the United States
71 Code.

72 (5) A financial institution or a nonfinancial trade or business that (1) fails to file or attempts to cause the failure to
73 file a report, (2) causes or attempts to cause a report to be filed that contains a material omission or misstatement of
74 fact, or (3) structures or assists in structuring, or attempts to structure or assist in structuring, any transaction with
75 one or more nonfinancial trades or businesses, for the purpose of evading the currency reporting requirements of this
76 chapter or 31 U.S.C. 5312, shall be sentenced to a fine of \$100,000 or \$25,000 per incident, whichever is greater.