

118TH CONGRESS
2D SESSION

S. 3643

To improve the prohibitions on money laundering, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 2024

Mr. GRASSLEY (for himself, Ms. KLOBUCHAR, and Mr. CORNYN) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To improve the prohibitions on money laundering, 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 “Combating Money Laundering, Terrorist Financing, and
6 Counterfeiting Act of 2024”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Transportation or transshipment of blank checks in bearer form.
- Sec. 3. Bulk cash smuggling.
- Sec. 4. Section 1957 violations involving commingled funds and aggregated transactions.

- Sec. 5. Charging money laundering as a course of conduct.
 Sec. 6. Illegal money services businesses.
 Sec. 7. Prohibiting money laundering through hawalas, other informal value transfer systems, and closely related transactions.
 Sec. 8. Technical amendment to restore wiretap authority for certain money laundering and counterfeiting offenses.
 Sec. 9. Making the international money laundering statute apply to tax evasion.
 Sec. 10. Conduct in aid of counterfeiting.
 Sec. 11. Danger pay allowance.
 Sec. 12. Clarification of Secret Service authority to investigate money laundering.
 Sec. 13. Remittances and money laundering threat analysis.
 Sec. 14. Rule of construction.

1 **SEC. 2. TRANSPORTATION OR TRANSHIPMENT OF BLANK**
 2 **CHECKS IN BEARER FORM.**

3 Section 5316 of title 31, United States Code, is
 4 amended by adding at the end the following:

5 “(e) MONETARY INSTRUMENTS WITH AMOUNT LEFT
 6 BLANK.—For purposes of this section, a monetary instru-
 7 ment in bearer form that has the amount left blank, such
 8 that the amount could be filled in by the bearer, and that
 9 is possessed by the bearer for the purpose of avoiding a
 10 reporting requirement, shall be considered to have a value
 11 of more than \$10,000 if the instrument was drawn on an
 12 account that contained, or was intended to contain more
 13 than \$10,000 at the time—

14 “(1) the instrument was transported; or

15 “(2) the instrument was negotiated or was in-
 16 tended to be negotiated.”.

17 **SEC. 3. BULK CASH SMUGGLING.**

18 Section 5332(b) of title 31, United States Code, is
 19 amended—

1 (1) in paragraph (1), by striking “5 years” and
2 inserting “10 years”;

3 (2) by redesignating paragraphs (2), (3), and
4 (4), as paragraphs (3), (4), and (5), respectively;

5 (3) by inserting after paragraph (1) the fol-
6 lowing:

7 “(2) FINE.—

8 “(A) IN GENERAL.—Whoever violates this
9 section shall be fined under title 18.

10 “(B) ENHANCED FINE FOR AGGRAVATED
11 CASES.—Whoever violates this section while vio-
12 lating another law of the United States, other
13 than section 5316 or 5324(c) of this title, or as
14 a part of a pattern of any unlawful activity, in-
15 cluding a violation of section 5316 or 5324(c)
16 of this title, shall be fined double the amount
17 provided in subsection (b)(3) or (c)(3) (as ap-
18 plicable) of section 3571 of title 18.”; and

19 (4) in paragraph (5), as so redesignated, by
20 striking “paragraph (2)” and inserting “paragraph
21 (3)”.

1 **SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMINGLED FUNDS AND AGGREGATED TRANSACTIONS.**
2
3

4 Section 1957 of title 18, United States Code, is
5 amended—

6 (1) by redesignating subsection (f) as sub-
7 section (g); and

8 (2) by inserting after subsection (e) the fol-
9 lowing:

10 “(f) In a prosecution for an offense under this sec-
11 tion, the Government may satisfy the \$10,000 monetary
12 transaction value requirement under subsection (a) by
13 showing that—

14 “(1) the monetary transaction involved the
15 transfer, withdrawal, encumbrance, or other disposi-
16 tion of more than \$10,000 from an account in which
17 more than \$10,000 in proceeds of specified unlawful
18 activity was commingled with other funds; or

19 “(2) the defendant conducted a series of mone-
20 tary transactions in amounts of not more than
21 \$10,000 that—

22 “(A) exceeded \$10,000 in the aggregate;
23 and

24 “(B) were closely related to each other as
25 demonstrated by factors such as—

1 “(i) the time period between the
2 transactions;

3 “(ii) the identity of the parties in-
4 volved;

5 “(iii) the nature or purpose of the
6 transactions; and

7 “(iv) the manner in which the trans-
8 actions were conducted.”.

9 **SEC. 5. CHARGING MONEY LAUNDERING AS A COURSE OF**
10 **CONDUCT.**

11 Section 1956 of title 18, United States Code, is
12 amended—

13 (1) in subsection (h), by striking “or section
14 1957” and inserting “, section 1957, or section
15 1960”; and

16 (2) by adding at the end the following:

17 “(k) MULTIPLE VIOLATIONS.—Multiple violations of
18 this section that are part of the same scheme or con-
19 tinuing course of conduct may be charged, at the election
20 of the Government, in a single count in an indictment or
21 information.”.

22 **SEC. 6. ILLEGAL MONEY SERVICES BUSINESSES.**

23 (a) IN GENERAL.—Section 1960 of title 18, United
24 States Code, is amended by striking subsections (a) and
25 (b) and inserting the following:

1 “(a) OFFENSE.—

2 “(1) IN GENERAL.—Whoever knowingly con-
3 ducts, controls, manages, supervises, directs, or owns
4 all or part of a covered money services business de-
5 scribed under paragraph (2) shall be punished as
6 provided in subsection (b).

7 “(2) MONEY SERVICES BUSINESSES DE-
8 SCRIBED.—A covered money services business de-
9 scribed in this paragraph is a covered money services
10 business that—

11 “(A) is operated without an appropriate li-
12 cense in a State where such operation is pun-
13 ishable as a misdemeanor or a felony under
14 State law, whether or not the person knows
15 that the operation is required to be licensed or
16 that the operation is so punishable;

17 “(B) fails to comply with the money serv-
18 ices business registration requirements under
19 section 5330 of title 31, or regulations pre-
20 scribed under that section, whether or not the
21 person knows that the operation is required to
22 comply with those registration requirements; or

23 “(C) otherwise engages in a transaction in-
24 volving funds that the person knows have been
25 derived from a criminal offense or are intended

1 to be used to promote or support unlawful ac-
2 tivity.

3 “(b) CRIMINAL PENALTY.—Any person who vio-
4 lates—

5 “(1) subsection (a) shall be fined in accordance
6 with this title, imprisoned for not more than 5 years,
7 or both; or

8 “(2) subsection (a) by conducting, controlling,
9 managing, supervising, directing, or owning all or
10 part of a covered money services business that en-
11 gaged in activity as a covered money services busi-
12 ness involving more than \$1,000,000 during a 12-
13 month period, or by engaging in a transaction or
14 transactions involving more than \$1,000,000 during
15 a 12-month period, shall be fined double the amount
16 provided in subsection (b)(3) or (c)(3) (as applica-
17 ble) of section 3571, imprisoned for not more than
18 10 years, or both.

19 “(c) DEFINITIONS.—In this section—

20 “(1) the term ‘covered money services business’
21 means a money services business that—

22 “(A) operates on behalf of the public; and

23 “(B) affects interstate or foreign commerce
24 in any manner or degree;

25 “(2) the term ‘money services business’—

1 “(A) has the meaning given the term in
2 section 5330 of title 31 and any regulations
3 prescribed under that section; and

4 “(B) includes a person that engages in the
5 transfer, transportation, or exchange of cur-
6 rency, funds, or value that substitutes for cur-
7 rency by any and all means, even when not per-
8 formed for profit; and

9 “(3) the term ‘State’ means any State of the
10 United States, the District of Columbia, the North-
11 ern Mariana Islands, and any commonwealth, terri-
12 tory, or possession of the United States.”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

14 (1) TITLE 18, UNITED STATES CODE.—

15 (A) SECTION HEADING.—Section 1960 of
16 title 18, United States Code, is amended in the
17 section heading—

18 (i) by striking “**unlicensed**” and
19 inserting “**illegal**”; and

20 (ii) by striking “**transmitting**” and
21 inserting “**services**”.

22 (B) TABLE OF SECTIONS.—The table of
23 sections for chapter 95 of title 18, United
24 States Code, is amended by striking the item

1 relating to section 1960 and inserting the fol-
2 lowing:

“1960. Prohibition of illegal money services businesses.”.

3 (2) TITLE 31, UNITED STATES CODE.—

4 (A) SECTION 5330.—

5 (i) HEADINGS.—Section 5330 of title
6 31, United States Code, is amended—

7 (I) in the section heading, by
8 striking “**transmitting**” and insert-
9 ing “**services**”;

10 (II) in subsection (c)—

11 (aa) in the subsection head-
12 ing, by striking “TRANSMITTING”
13 and inserting “SERVICES”;

14 (bb) in paragraph (1), in the
15 paragraph heading, by striking
16 “TRANSMITTING” and inserting
17 “SERVICES”; and

18 (cc) in paragraph (2), in the
19 paragraph heading, by striking
20 “TRANSMITTING” and inserting
21 “SERVICES”; and

22 (III) in subsection (d)(1), in the
23 paragraph heading, by striking
24 “TRANSMITTING” and inserting
25 “SERVICES”.

1 (ii) TEXT.—Section 5330 of title 31,
2 United States Code, is amended—

3 (I) by striking “money transmit-
4 ting business” each place that term
5 appears and inserting “money services
6 business”; and

7 (II) in subsection (a)(3), by
8 striking “money transmitting busi-
9 nesses” and inserting “a money serv-
10 ices business”.

11 (B) SECTION 5336.—Section
12 5336(a)(11)(B)(vi) of title 31, United States
13 Code, is amended by striking “money transmit-
14 ting business” and inserting “money services
15 business”.

16 (C) SECTION 5362.—Section 5362 of title
17 31, United States Code, is amended—

18 (i) by striking “money transmitting
19 business” each place that term appears
20 and inserting “money services business”;
21 and

22 (ii) in paragraph (11)(E), in the sub-
23 paragraph heading, by striking “TRANS-
24 MITTING” and inserting “SERVICES”.

1 (D) SECTION 5363.—Section 5363(2) of
2 title 31, United States Code, is amended by
3 striking “money transmitting business” and in-
4 serting “money services business”.

5 (E) TABLE OF SECTIONS.—The table of
6 sections for subchapter II of chapter 53 of title
7 31, United States Code, is amended by striking
8 the item relating to section 5330 and inserting
9 the following:

“5330. Registration of money services businesses.”.

10 (3) FEDERAL DEPOSIT INSURANCE ACT.—Sec-
11 tion 21(b)(3)(A) of the Federal Deposit Insurance
12 Act (12 U.S.C. 1829b(b)(3)(A)) is amended—

13 (A) in the matter preceding clause (i), by
14 striking “money transmitting businesses” and
15 inserting “money services businesses (as that
16 term is defined in section 1960 of title 18,
17 United States Code)”; and

18 (B) in clause (ii), by striking “money
19 transmitting business” and inserting “money
20 services business”.

1 **SEC. 7. PROHIBITING MONEY LAUNDERING THROUGH**
2 **HAWALAS, OTHER INFORMAL VALUE TRANS-**
3 **FER SYSTEMS, AND CLOSELY RELATED**
4 **TRANSACTIONS.**

5 The matter following section 1956(a)(1)(B)(ii) of
6 title 18, United States Code, is amended by striking “For
7 purposes of this paragraph, a financial transaction” and
8 inserting “For purposes of this paragraph and section
9 1957, a financial transaction or a monetary transaction,
10 as applicable,”.

11 **SEC. 8. TECHNICAL AMENDMENT TO RESTORE WIRETAP**
12 **AUTHORITY FOR CERTAIN MONEY LAUN-**
13 **DERING AND COUNTERFEITING OFFENSES.**

14 (a) CURRENCY REPORTING OFFENSES.—Section
15 2516(1)(g) of title 18, United States Code, is amended
16 by striking “or section 5324 of title 31, United States
17 Code (relating to structuring transactions to evade report-
18 ing requirement prohibited)” and inserting “or section
19 5324 or 5332 of that title (relating to evasion of Federal
20 transaction reporting requirements)”.

21 (b) MONEY LAUNDERING.—Section 2516(1)(c) of
22 title 18, United States Code, is amended by inserting “sec-
23 tion 1960 (relating to illegal money services businesses),”
24 before “section 659”.

1 (c) COUNTERFEITING.—Section 2516(1)(d) of title
2 18, United States Code, is amended by striking “or 473”
3 and inserting “473, 474, or 474A”.

4 **SEC. 9. MAKING THE INTERNATIONAL MONEY LAUNDERING**
5 **STATUTE APPLY TO TAX EVASION.**

6 Section 1956(a)(2)(A) of title 18, United States
7 Code, is amended—

8 (1) by inserting “(i)” before “with the intent to
9 promote”; and

10 (2) by adding at the end the following:

11 “(ii) with the intent to engage in conduct
12 constituting a violation of section 7201 or 7206
13 of the Internal Revenue Code of 1986; or”.

14 **SEC. 10. CONDUCT IN AID OF COUNTERFEITING.**

15 (a) IN GENERAL.—Section 474(a) of title 18, United
16 States Code, is amended by inserting after the paragraph
17 beginning “Whoever has in his control, custody, or posses-
18 sion any plate” the following:

19 “Whoever, with intent to defraud, has custody, con-
20 trol, or possession of any material, tool, machinery, or
21 other equipment that can be used to make, alter, forge,
22 or counterfeit any obligation or other security of the
23 United States or any part of such obligation or security,
24 except under the authority of the Secretary of the Treas-
25 ury; or”.

1 (b) FOREIGN OBLIGATIONS AND SECURITIES.—Sec-
2 tion 481 of title 18, United States Code, is amended by
3 inserting after the paragraph beginning “Whoever, with
4 intent to defraud” the following:

5 “Whoever, with intent to defraud, has custody, con-
6 trol, or possession of any material, tool, machinery, or
7 other equipment that can be used to make, alter, forge,
8 or counterfeit any obligation or other security of any for-
9 eign government, bank, or corporation; or”.

10 (c) COUNTERFEIT ACTS.—Section 470 of title 18,
11 United States Code, is amended by striking “or 474” and
12 inserting “474, or 474A”.

13 (d) STRENGTHENING DETERRENENTS TO COUNTER-
14 FEITING.—Section 474A of title 18, United States Code,
15 is amended—

16 (1) in subsection (a), by inserting “, custody,”
17 after “control”;

18 (2) in subsection (b)—

19 (A) by inserting “, custody,” after “con-
20 trol”; and

21 (B) by striking “any essentially identical
22 feature or device adapted to the making of any
23 such obligation or security,” and inserting “any
24 material or other thing made after or in simili-
25 tude of any such deterrent,”;

1 (2) by striking “federally insured”.

2 **SEC. 13. REMITTANCES AND MONEY LAUNDERING THREAT**

3 **ANALYSIS.**

4 (a) DEFINITIONS.—In this section—

5 (1) the term “appropriate congressional com-
6 mittees” means—

7 (A) the Committee on the Judiciary of the
8 Senate;

9 (B) the Committee on Homeland Security
10 and Governmental Affairs of the Senate;

11 (C) the Caucus on International Narcotics
12 Control of the Senate;

13 (D) the Committee on Banking, Housing,
14 and Urban Affairs of the Senate;

15 (E) the Committee on the Judiciary of the
16 House of Representatives;

17 (F) the Committee on Homeland Security
18 of the House of Representatives; and

19 (G) the Committee on Financial Services
20 of the House of Representatives;

21 (2) the term “drug kingpins, crime syndicates,
22 and other persons”, with respect to the use of remit-
23 tances to finance terrorism, narcotics trafficking,
24 human trafficking, money laundering, and other

1 forms of illicit financing, domestically or internation-
2 ally, means any persons who—

3 (A) are connected to individuals and orga-
4 nizations associated with financing terrorism,
5 narcotics trafficking, human trafficking, money
6 laundering, and other forms of illicit financing,
7 domestically or internationally; and

8 (B) have been designated as—

9 (i) a significant foreign narcotics traf-
10 ficker under the Foreign Narcotics King-
11 pin Designation Act (21 U.S.C. 1901 et
12 seq.);

13 (ii) a significant transnational crimi-
14 nal organization under Executive Order
15 13581 (76 Fed. Reg. 44757, 84 Fed. Reg.
16 10255; relating to blocking property of
17 transnational criminal organizations); or

18 (iii) a Specially Designated Global
19 Terrorist under Executive Order 13224
20 (66 Fed. Reg. 49079, 67 Fed. Reg. 44751,
21 68 Fed. Reg. 4075, 70 Fed. Reg. 8499; re-
22 lating to blocking property and prohibiting
23 transactions with persons who commit,
24 threaten to commit, or support terrorism);

1 (3) the term “human trafficking” has the
2 meaning given the term “severe forms of trafficking
3 in persons” in section 103 of the Trafficking Victims
4 Protection Act of 2000 (22 U.S.C. 7102);

5 (4) the term “money services business” has the
6 meaning given the term in section 5330 of title 31,
7 United States Code, as amended by section
8 6(b)(2)(A); and

9 (5) the term “money transmitting service” has
10 the meaning given the term in section 5330 of title
11 31, United States Code.

12 (b) ANALYSIS.—

13 (1) REQUIREMENT.—Not later than 1 year
14 after the date of enactment of this Act, the Sec-
15 retary of the Treasury, in consultation with the At-
16 torney General, the Secretary of Homeland Security,
17 and the head of any other appropriate Federal law
18 enforcement agency, shall submit to the appropriate
19 congressional committees a threat and operational
20 analysis of the use of remittances by drug kingpins,
21 crime syndicates, and other persons to finance ter-
22 rorism, narcotics trafficking, human trafficking,
23 money laundering, and other forms of illicit financ-
24 ing, domestically or internationally.

1 (2) CONTENTS.—The Secretary of the Treasury
2 shall include in the threat and operational analysis
3 required under paragraph (1) the following:

4 (A) Current and potential threats posed by
5 individuals and organized groups seeking—

6 (i) to exploit security vulnerabilities
7 with respect to remittances and money
8 transmitting services; or

9 (ii) to unlawfully use remittances to
10 finance terrorism, narcotics trafficking,
11 human trafficking, money laundering, or
12 other forms of illicit financing, domesti-
13 cally or internationally.

14 (B) Methods and pathways used to exploit
15 security vulnerabilities.

16 (C) Challenges presented by identity theft
17 in the use of remittances and money transmit-
18 ting services.

19 (D) Improvements needed to enhance co-
20 operation between and among Federal, State,
21 and local officials, including State regulators,
22 State and local prosecutors, and other law en-
23 forcement officials.

24 (E) Improvements needed to enhance co-
25 operation between money services businesses

1 and Federal, State, and local officials, including
2 State regulators, State and local prosecutors,
3 and other law enforcement officials.

4 (3) ANALYSIS REQUIREMENTS.—In compiling
5 the threat and operational analysis required under
6 paragraph (1), the Secretary of the Treasury, in
7 consultation with the Attorney General, the Sec-
8 retary of Homeland Security, and the head of any
9 other appropriate Federal law enforcement agency,
10 shall consider and examine the personnel needs,
11 technology needs, and infrastructure needs of Fed-
12 eral law enforcement agencies.

13 (c) REMITTANCES STRATEGY AND IMPLEMENTATION
14 PLAN.—

15 (1) IN GENERAL.—Not later than 180 days
16 after the date on which the Secretary of the Treas-
17 ury submits the threat analysis under subsection (b),
18 and every 5 years thereafter for 10 years, the Sec-
19 retary of the Treasury, in consultation with the At-
20 torney General, the Secretary of Homeland Security,
21 and the head of any other appropriate Federal law
22 enforcement agency, shall submit to the appropriate
23 congressional committees a remittances strategy and
24 implementation plan.

1 (2) CONTENTS.—In preparing the remittances
2 strategy and implementation plan under paragraph
3 (1), the Secretary of the Treasury shall consider the
4 following:

5 (A) The remittances threat and operational
6 analysis required under subsection (b), with an
7 emphasis on efforts to mitigate threats and
8 challenges identified in the analysis.

9 (B) Efforts to reduce the use of remit-
10 tances and money transmitting services by drug
11 kingpins, crime syndicates, and other persons to
12 finance terrorism, narcotics trafficking, human
13 trafficking, money laundering, and other forms
14 of illicit financing, domestically or internation-
15 ally.

16 (C) Efforts to prevent human trafficking
17 and the unlawful movement of illicit drugs and
18 other contraband through the use of remit-
19 tances and money transmitting services, and
20 standards against which the effectiveness of
21 those efforts may be determined.

22 (D) Efforts to focus collection and infor-
23 mation analysis to disrupt transnational crimi-
24 nal organizations attempting to exploit security
25 vulnerabilities, and standards against which the

1 effectiveness of those efforts may be deter-
2 mined.

3 (E) Personnel, technology, and infrastruc-
4 ture needs of Federal law enforcement agencies.

5 (F) Efforts to prevent, detect, investigate,
6 and mitigate money laundering activities
7 through remittances and money transmitting
8 services, and standards against which the effec-
9 tiveness of those efforts may be determined.

10 (G) The lawful use of remittances, the role
11 that remittances play in countries' economies,
12 and how any recommended measures would im-
13 pose additional burdens on remittances in light
14 of their lawful uses.

15 **SEC. 14. RULE OF CONSTRUCTION.**

16 Nothing in this Act, or any amendment made by this
17 Act, shall be construed to apply to the authorized law en-
18 forcement, protective, or intelligence activities of the
19 United States or of an intelligence agency of the United
20 States.

○