

# HOUSE . . . . . No. 1692

By Mr. Quinn of Dartmouth, petition of John F. Quinn relative to the crime of money laundering, so-called. The Judiciary.

## The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

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  
2 the General Laws, as appearing in the 2001 Official Edition, is  
3 hereby amended by adding the following sentence:—

4 Notwithstanding any other provisions of this section, the Division  
5 of Banks shall be deemed a criminal justice agency for purposes of  
6 all matters within its jurisdiction.

1 SECTION 2. Section 4 of Chapter 167F of the General Laws, is  
2 hereby amended by adding the following sentence:—

3 Any license issued under this chapter to a licensee who is con-  
4 victed of violating Section 37F of Chapter 266 shall be deemed  
5 revoked.

1 SECTION 3. Chapter 169 of the General Laws, is hereby  
2 amended by striking out section 16, as appearing in the 2001 Offi-  
3 cial Edition, and inserting in place thereof the following section:—

4 Section 16. Whoever violates any provision of this chapter or any  
5 rule or regulation made hereunder by the Commissioner shall be  
6 punished by a fine of not more than \$5000 or by imprisonment in  
7 state prison for not more than five years; or both. Any license issued  
8 under this chapter to a licensee who is convicted of violating Section  
9 37F of Chapter 266 shall be deemed revoked.

1 SECTION 4. Section 13 of Chapter 169A of the General Laws, is  
2 hereby amended by adding the following sentence:—  
3 Any license issued under this chapter to a licensee who is con-  
4 victed of violating Section 37F of Chapter 266 shall be deemed  
5 revoked.

1 SECTION 5. Chapter 266 of the General Laws, as appearing in  
2 the 2001 Official Edition, is hereby amended by inserting after  
3 Section 37E the following section:—

4 Section 37F (A) For purposes of this section, the following words  
5 shall have the following meanings:—

6 “Financial institution” means:— (i) a bank, federal bank, or for-  
7 eign bank as defined in Chapter 167 of the General Laws; (ii) any  
8 licensee operating as a money transmitter pursuant to Chapter 169;  
9 (iii) a check casher as defined in Chapter 169A; or (iv) any business  
10 or agency which engages in any activity which the Commissioner of  
11 Banks determines, by regulation, to be an activity which is similar  
12 to, related to, or a substitute for any activity in which any business  
13 described in this paragraph is authorized to engage.

14 “Financial transaction” means:— (a) a transaction which in any  
15 way or degree affects interstate or foreign commerce (1) involving  
16 the movement of funds by wire or other means or (2) involving one  
17 or more monetary instruments, or (3) involving the transfer of title to  
18 any real property, vehicle, vessel, or aircraft, or (b) a transaction  
19 involving the use of a financial institution which is engaged in, or  
20 the activities of which affect, interstate or foreign commerce in any  
21 way or degree.

22 “Monetary instrument” means:— the coins and currency of the  
23 United States or any foreign country; bank checks, drafts, notes,  
24 money orders, travelers’ checks or similar negotiable instruments  
25 drawn on or issued by a domestic financial institution; bearer invest-  
26 ment securities, bearer securities, stock on which title is passed on  
27 delivery; gold, silver, platinum bullion or coins; any bank checks,  
28 drafts, notes, money orders, and other similar negotiable instruments  
29 which are drawn on or issued by a foreign financial institution and  
30 are not in bearer form; and as the Commissioner of Banks may pre-  
31 scribe by regulation. For purposes of such determination, the Com-  
32 missioner of Banks may look to regulations promulgated by the  
33 Secretary of the Treasury pursuant to 31 U.S.C. 5312.

34 (B) (1) Whoever, knowing that the property involved in a finan-  
35 cial transaction represents the proceeds of some form of unlawful  
36 activity, conducts or attempts to conduct such a financial transaction  
37 which in fact involves the proceeds of specified unlawful activity:—

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

39 (i) to conceal or disguise the nature, the location, the source, the  
40 ownership, or the control of the proceeds of specified unlawful  
41 activity; or

42 (ii) to avoid a transaction reporting requirement under State or  
43 Federal law,

44 shall be sentenced to a fine of not more than \$100,000 per inci-  
45 dent or twice the value of the property involved in the transaction,  
46 whichever is greater, or imprisonment for not more than twenty  
47 years, or both.

48 (2) Whoever transports, transmits, or transfers, or attempts to  
49 transport, transmit, or transfer a monetary instrument or funds from  
50 a place in the United States to or through a place outside the United  
51 States or to a place in the United States from or through a place out-  
52 side the United States:—

53 (A) with the intent to promote the carrying on of specified  
54 unlawful activity; or

55 (B) knowing that the monetary instrument or funds involved in  
56 the transportation, transmission, or transfer represent the proceeds of  
57 some form of unlawful activity and knowing that such transporta-  
58 tion, transmission, or transfer is designed in whole or in part:—

59 (i) to conceal or disguise the nature, the location, the source, the  
60 ownership, or the control of the proceeds of specified unlawful  
61 activity; or

62 (ii) to avoid a transaction reporting requirement under State or  
63 Federal law,

64 shall be sentenced to a fine of not more than \$100,000 or twice  
65 the value of the monetary instrument or funds involved in the trans-  
66 portation, transmission, or transfer, whichever is greater, or impris-  
67 onment for not more than twenty years, or both.

68 (3) Whoever, with the intent:—

69 (A) to promote the carrying on of specified unlawful activity;

70 (B) to conceal or disguise the nature, location, source, ownership,  
71 or control of property believed to be the proceeds of specified  
72 unlawful activity; or

73 (C) to avoid a transaction reporting requirement under State or  
74 Federal law,

75 conducts or attempts to conduct a financial transaction involving  
76 property represented to be the proceeds of specified unlawful  
77 activity, or property used to conduct or facilitate specified unlawful  
78 activity, shall be fined \$100,000 or imprisoned for not more than 20  
79 years, or both.

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

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