

HOUSE No. 1681

The Commonwealth of Massachusetts

In the Year Two Thousand 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
2 appearing in the 2001 Official Edition, is hereby amended by adding the following sentence:—
3 Notwithstanding any other provisions of this section, the Division of Banks shall be deemed a
4 criminal justice agency for purposes of all matters within its jurisdiction.

5 SECTION 2. Section 4 of Chapter 167F of the General Laws, is hereby amended by
6 adding the following sentence:— Any license issued under this chapter to a licensee who is
7 convicted of violating Section 37F of Chapter 266 shall be deemed revoked.

8 SECTION 3. Chapter 169 of the General Laws, is hereby amended by striking out section
9 16, as appearing in the 2001 Official Edition, and inserting in place thereof the following
10 section:—Section 16. Whoever violates any provision of this chapter or any rule or regulation
11 made hereunder by the Commissioner shall be punished by a fine of not more than \$5000 or by
12 imprisonment in state prison for not more than five years; or both. Any license issued under this
13 chapter to a licensee who is convicted of violating Section 37F of Chapter 266 shall be deemed
14 revoked.

15 SECTION 4. Section 13 of Chapter 169A of the General Laws, is hereby amended by
16 adding the following sentence:— Any license issued under this chapter to a licensee who is
17 convicted of violating Section 37F of Chapter 266 shall be deemed revoked.

18 SECTION 5. Chapter 266 of the General Laws, as appearing in the 2001 Official Edition,
19 is hereby amended by inserting after Section 37E the following section:—Section 37F(A) For
20 purposes of this section, the following words shall have the following meanings:“Financial
21 institution” means: (i) a bank, federal bank, or foreign bank as defined in Chapter 167 of the
22 General Laws; (ii) any licensee operating as a money transmitter pursuant to Chapter 169; (iii) a
23 check casher as defined in Chapter 169A; or (iv) any business or agency which engages in any
24 activity which the Commissioner of Banks determines, by regulation, to be an activity which is
25 similar to, related to, or a substitute for any activity in which any business described in this
26 paragraph is authorized to engage.“Financial transaction” means: (a) a transaction which in any
27 way or degree affects interstate or foreign commerce (1) involving the movement of funds by
28 wire or other means or (2) involving one or more monetary instruments, or (3) involving the
29 transfer of title to any real property, vehicle, vessel, or aircraft, or (b) a transaction involving the
30 use of a financial institution which is engaged in, or the activities of which affect, interstate or
31 foreign commerce in any way or degree.“Monetary instrument” means: the coins and currency of
32 the United States or any foreign country; bank checks, drafts, notes, money orders, travelers’
33 checks or similar negotiable instruments drawn on or issued by a domestic financial institution;
34 bearer investment securities, bearer securities, stock on which title is passed on delivery; gold,
35 silver, platinum bullion or coins; any bank checks, drafts, notes, money orders, and other similar
36 negotiable instruments which are drawn on or issued by a foreign financial institution and are not
37 in bearer form; and as the Commissioner of Banks may prescribe by regulation. For purposes of

38 such determination, the Commissioner of Banks may look to regulations promulgated by the
39 Secretary of the Treasury pursuant to 31 U.S.C. 5312.(B) (1) Whoever, knowing that the
40 property involved in a financial transaction represents the proceeds of some form of unlawful
41 activity, conducts or attempts to conduct such a financial transaction which in fact involves the
42 proceeds of specified unlawful activity:(a) knowing that the transaction is designed in whole or
43 in part:(i) to conceal or disguise the nature, the location, the source, the ownership, or the control
44 of the proceeds of specified unlawful activity; or(ii) to avoid a transaction reporting requirement
45 under State or Federal law,shall be sentenced to a fine of not more than \$100,000 per incident or
46 twice the value of the property involved in the transaction, whichever is greater, or imprisonment
47 for not more than twenty years, or both.(2) Whoever transports, transmits, or transfers, or
48 attempts to transport, transmit, or transfer a monetary instrument or funds from a place in the
49 United States to or through a place outside the United States or to a place in the United States
50 from or through a place outside the United States:(A) with the intent to promote the carrying on
51 of specified unlawful activity; or (B) knowing that the monetary instrument or funds involved in
52 the transportation, transmission, or transfer represent the proceeds of some form of unlawful
53 activity and knowing that such transportation, transmission, or transfer is designed in whole or in
54 part:(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of
55 the proceeds of specified unlawful activity; or(ii) to avoid a transaction reporting requirement
56 under State or Federal law,shall be sentenced to a fine of not more than \$100,000 or twice the
57 value of the monetary instrument or funds involved in the transportation, transmission, or
58 transfer, whichever is greater, or imprisonment for not more than twenty years, or both.(3)
59 Whoever, with the intent:(A) to promote the carrying on of specified unlawful activity;(B) to
60 conceal or disguise the nature, location, source, ownership, or control of property believed to be

61 the proceeds of specified unlawful activity; or(C) to avoid a transaction reporting requirement
62 under State or Federal law, conducts or attempts to conduct a financial transaction involving
63 property represented to be the proceeds of specified unlawful activity, or property used to
64 conduct or facilitate specified unlawful activity, shall be fined \$100,000 or imprisoned for not
65 more than 20 years, or both.(4) A financial institution shall make and retain a record of all
66 transactions involving more than \$10,000 in cash or a monetary instrument with a value of more
67 than \$10,000. A financial institution shall be deemed in compliance with this section by filing a
68 copy of a report required under Section 5313, 5314, or 5315 or Title 31 of the United States
69 Code.(5) A financial institution or a nonfinancial trade or business that (1) fails to file or
70 attempts to cause the failure to file a report, (2) causes or attempts to cause a report to be filed
71 that contains a material omission or misstatement of fact, or (3) structures or assists in
72 structuring, or attempts to structure or assist in structuring, any transaction with one or more
73 nonfinancial trades or businesses, for the purpose of evading the currency reporting requirements
74 of this chapter or 31 U.S.C. 5312, shall be sentenced to a fine of \$100,000 or \$25,000 per
75 incident, whichever is greater.