

119TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

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

A BILL

To improve 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 2026”.

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.

2

- 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) in paragraph (2), by inserting “a” before
4 “sentence”;

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

7 (4) by inserting after paragraph (2) the fol-
8 lowing:

9 “(3) FINE.—

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

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

21 **SEC. 4. SECTION 1957 VIOLATIONS INVOLVING COMMUN-**
22 **ICATED FUNDS AND AGGREGATED TRANS-**
23 **ACTIONS.**

24 Section 1957 of title 18, United States Code, is
25 amended—

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

3 (2) by inserting after subsection (e) the fol-
4 lowing:

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

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

14 “(2) the defendant conducted a series of mone-
15 tary transactions in amounts of not more than
16 \$10,000 that—

17 “(A) exceeded \$10,000 in the aggregate;
18 and

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

21 “(i) the time period between the
22 transactions;

23 “(ii) the identity of the parties in-
24 volved;

1 “(iii) the nature or purpose of the
2 transactions; and

3 “(iv) the manner in which the trans-
4 actions were conducted.”.

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

7 Section 1956 of title 18, United States Code, is
8 amended—

9 (1) in subsection (h), by striking “or section
10 1957” and inserting “, section 1957, or section
11 1960”; and

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

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

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

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

22 “(a) OFFENSE.—

23 “(1) IN GENERAL.—Whoever knowingly con-
24 ducts, controls, manages, supervises, directs, or owns
25 all or part of a covered money services business de-

1 scribed under paragraph (2) shall be punished as
2 provided in subsection (b).

3 “(2) MONEY SERVICES BUSINESSES DE-
4 SCRIBED.—A covered money services business de-
5 scribed in this paragraph is a covered money services
6 business that—

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

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

19 “(C) otherwise engages in a transaction in-
20 volving funds that the person knows have been
21 derived from a criminal offense or are intended
22 to be used to promote or support unlawful ac-
23 tivity.

24 “(b) CRIMINAL PENALTY.—Any person who vio-
25 lates—

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

“(2) subsection (a) by conducting, controlling, managing, supervising, directing, or owning all or part of a covered money services business that engaged in activity as a covered money services business involving more than \$1,000,000 during a 12-month period, or by engaging in a transaction or transactions involving more than \$1,000,000 during a 12-month period, shall be fined double the amount provided in subsection (b)(3) or (c)(3) (as applicable) of section 3571, imprisoned for not more than 10 years, or both.

15 “(c) DEFINITIONS.—In this section—

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

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

19 “(B) affects interstate or foreign commerce
20 in any manner or degree;

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

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

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

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

10 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

11 (1) TITLE 18, UNITED STATES CODE.—

12 (A) SECTION HEADING.—Section 1960 of
13 title 18, United States Code, is amended in the
14 section heading—

15 (i) by striking “**unlicensed**” and
16 inserting “**illegal**”; and

17 (ii) by striking “**transmitting**” and
18 inserting “**services**”.

19 (B) TABLE OF SECTIONS.—The table of
20 sections for chapter 95 of title 18, United
21 States Code, is amended by striking the item
22 relating to section 1960 and inserting the fol-
23 lowing:

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

24 (2) TITLE 31, UNITED STATES CODE.—

25 (A) SECTION 5330.—

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

3 (I) in the section heading, by
4 striking “**transmitting**” and insert-
5 ing “**services**”;

6 (II) in subsection (c)—

7 (aa) in the subsection head-
8 ing, by striking “TRANSMITTING”
9 and inserting “SERVICES”;

10 (bb) in paragraph (1), in the
11 paragraph heading, by striking
12 “TRANSMITTING” and inserting
13 “SERVICES”; and

14 (cc) in paragraph (2), in the
15 paragraph heading, by striking
16 “TRANSMITTING” and inserting
17 “SERVICES”; and

18 (III) in subsection (d)(1), in the
19 paragraph heading, by striking
20 “TRANSMITTING” and inserting
21 “SERVICES”.

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

24 (I) by striking “money transmit-
25 ting business” each place that term

1 appears and inserting “money services
2 business”; and

3 (II) in subsection (a)(3), by
4 striking “money transmitting busi-
5 nesses” and inserting “a money serv-
6 ices business”.

7 (B) SECTION 5336.—Section
8 5336(a)(11)(B)(vi) of title 31, United States
9 Code, is amended by striking “money transmit-
10 ting business” and inserting “money services
11 business”.

12 (C) SECTION 5362.—Section 5362 of title
13 31, United States Code, is amended—

14 (i) by striking “money transmitting
15 business” each place that term appears
16 and inserting “money services business”;
17 and

18 (ii) in paragraph (11)(E), in the sub-
19 paragraph heading, by striking “TRANS-
20 MITTING” and inserting “SERVICES”.

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

1 (E) TABLE OF SECTIONS.—The table of
2 sections for subchapter II of chapter 53 of title
3 31, United States Code, is amended by striking
4 the item relating to section 5330 and inserting
5 the following:

“5330. Registration of money services businesses.”.

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

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

14 (B) in clause (ii), by striking “money
15 transmitting business” and inserting “money
16 services business”.

17 **SEC. 7. PROHIBITING MONEY LAUNDERING THROUGH**
18 **HAWALAS, OTHER INFORMAL VALUE TRANS-**
19 **FER SYSTEMS, AND CLOSELY RELATED**
20 **TRANSACTIONS.**

21 The matter following section 1956(a)(1)(B)(ii) of
22 title 18, United States Code, is amended by striking “For
23 purposes of this paragraph, a financial transaction” and
24 inserting “For purposes of this paragraph and section

1 1957, a financial transaction or a monetary transaction,
2 as applicable.”.

3 **SEC. 8. TECHNICAL AMENDMENT TO RESTORE WIRETAP**
4 **AUTHORITY FOR CERTAIN MONEY LAUN-**
5 **DERING AND COUNTERFEITING OFFENSES.**

6 (a) CURRENCY REPORTING OFFENSES.—Section
7 2516(1)(g) of title 18, United States Code, is amended
8 by striking “or section 5324 of title 31, United States
9 Code (relating to structuring transactions to evade report-
10 ing requirement prohibited)” and inserting “or section
11 5324 or 5332 of that title (relating to evasion of Federal
12 transaction reporting requirements)”.

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

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

20 **SEC. 9. MAKING THE INTERNATIONAL MONEY LAUNDERING**
21 **STATUTE APPLY TO TAX EVASION.**

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

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

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

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

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

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

10 “Whoever, with intent to defraud, has custody, con-
11 trol, or possession of any material, tool, machinery, or
12 other equipment that can be used to make, alter, forge,
13 or counterfeit any obligation or other security of the
14 United States or any part of such obligation or security,
15 except under the authority of the Secretary of the Treas-
16 ury; or”.

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

21 “Whoever, with intent to defraud, has custody, con-
22 trol, or possession of any material, tool, machinery, or
23 other equipment that can be used to make, alter, forge,
24 or counterfeit any obligation or other security of any for-
25 eign government, bank, or corporation; or”.

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

4 (d) STRENGTHENING DETERRENTS TO COUNTER-
5 FEITING.—Section 474A of title 18, United States Code,
6 is amended—

7 (1) in subsection (a), by inserting “, custody,”
8 after “control”;

9 (2) in subsection (b)—

10 (A) by inserting “, custody,” after “con-
11 trol”; and

12 (B) by striking “any essentially identical
13 feature or device adapted to the making of any
14 such obligation or security,” and inserting “any
15 material or other thing made after or in simili-
16 tude of any such deterrent,”;

17 (3) by redesignating subsection (c) as sub-
18 section (d); and

19 (4) by inserting after subsection (b) the fol-
20 lowing:

21 “(c) Whoever has in his control, custody, or posses-
22 sion any obligation or security of the United States or any
23 foreign government from which the ink or other distinctive
24 counterfeit deterrent has been completely or partially re-

1 moved, except under the authority of the Secretary of the
2 Treasury, is guilty of a class B felony.”.

3 **SEC. 11. DANGER PAY ALLOWANCE.**

4 Section 151 of the Foreign Relations Authorization
5 Act, Fiscal Years 1990 and 1991 (5 U.S.C. 5928 note)
6 is amended by striking “or the United States Marshals
7 Service” and inserting “the United States Marshals Serv-
8 ice, U.S. Immigration and Customs Enforcement, U.S.
9 Customs and Border Protection, or the United States Se-
10 cret Service”.

11 **SEC. 12. CLARIFICATION OF SECRET SERVICE AUTHORITY**
12 **TO INVESTIGATE MONEY LAUNDERING.**

13 Section 3056(b)(3) of title 18, United States Code,
14 is amended—

15 (1) by inserting “money laundering, structured
16 transactions, unlicensed money transmitting,” after
17 “documents or devices,”; and

18 (2) by striking “federally insured”.

19 **SEC. 13. REMITTANCES AND MONEY LAUNDERING THREAT**
20 **ANALYSIS.**

21 (a) DEFINITIONS.—In this section—

22 (1) the term “appropriate congressional com-
23 mittees” means—

24 (A) the Committee on the Judiciary of the
25 Senate;

1 (B) the Committee on Homeland Security
2 and Governmental Affairs of the Senate;

3 (C) the Caucus on International Narcotics
4 Control of the Senate;

5 (D) the Committee on Banking, Housing,
6 and Urban Affairs of the Senate;

7 (E) the Committee on the Judiciary of the
8 House of Representatives;

9 (F) the Committee on Homeland Security
10 of the House of Representatives; and

11 (G) the Committee on Financial Services
12 of the House of Representatives;

13 (2) the term “drug kingpins, crime syndicates,
14 and other persons”, with respect to the use of remit-
15 tances to finance terrorism, narcotics trafficking,
16 human trafficking, money laundering, and other
17 forms of illicit financing, domestically or internation-
18 ally, means any persons who—

19 (A) are connected to individuals and orga-
20 nizations associated with financing terrorism,
21 narcotics trafficking, human trafficking, money
22 laundering, and other forms of illicit financing,
23 domestically or internationally; and

24 (B) have been designated as—

1 (i) a significant foreign narcotics traf-
2 ficker under the Foreign Narcotics King-
3 pin Designation Act (21 U.S.C. 1901 et
4 seq.);

5 (ii) a significant transnational crimi-
6 nal organization under Executive Order
7 13581 (76 Fed. Reg. 44757, 84 Fed. Reg.
8 10255; relating to blocking property of
9 transnational criminal organizations); or

10 (iii) a Specially Designated Global
11 Terrorist under Executive Order 13224
12 (66 Fed. Reg. 49079, 67 Fed. Reg. 44751,
13 68 Fed. Reg. 4075, 70 Fed. Reg. 8499; re-
14 lating to blocking property and prohibiting
15 transactions with persons who commit,
16 threaten to commit, or support terrorism);

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

21 (4) the term “money services business” has the
22 meaning given the term in section 5330 of title 31,
23 United States Code, as amended by section
24 6(b)(2)(A); and

1 (5) the term “money transmitting service” has
2 the meaning given the term in section 5330 of title
3 31, United States Code.

4 (b) ANALYSIS.—

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

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

20 (A) Current and potential threats posed by
21 individuals and organized groups seeking—

22 (i) to exploit security vulnerabilities
23 with respect to remittances and money
24 transmitting services; or

1 (ii) to unlawfully use remittances to
2 finance terrorism, narcotics trafficking,
3 human trafficking, money laundering, or
4 other forms of illicit financing, domesti-
5 cally or internationally.

6 (B) Methods and pathways used to exploit
7 security vulnerabilities.

8 (C) Challenges presented by identity theft
9 in the use of remittances and money transmit-
10 ting services.

11 (D) Improvements needed to enhance co-
12 operation between and among Federal, State,
13 and local officials, including State regulators,
14 State and local prosecutors, and other law en-
15 forcement officials.

16 (E) Improvements needed to enhance co-
17 operation between money services businesses
18 and Federal, State, and local officials, including
19 State regulators, State and local prosecutors,
20 and other law enforcement officials.

21 (3) ANALYSIS REQUIREMENTS.—In compiling
22 the threat and operational analysis required under
23 paragraph (1), the Secretary of the Treasury, in
24 consultation with the Attorney General, the Sec-
25 retary of Homeland Security, and the head of any

1 other appropriate Federal law enforcement agency,
2 shall consider and examine the personnel needs,
3 technology needs, and infrastructure needs of Fed-
4 eral law enforcement agencies.

5 (c) REMITTANCES STRATEGY AND IMPLEMENTATION
6 PLAN.—

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

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

21 (A) The remittances threat and operational
22 analysis required under subsection (b), with an
23 emphasis on efforts to mitigate threats and
24 challenges identified in the analysis.

1 (B) Efforts to reduce the use of remit-
2 tances and money transmitting services by drug
3 kingpins, crime syndicates, and other persons to
4 finance terrorism, narcotics trafficking, human
5 trafficking, money laundering, and other forms
6 of illicit financing, domestically or internation-
7 ally.

8 (C) Efforts to prevent human trafficking
9 and the unlawful movement of illicit drugs and
10 other contraband through the use of remit-
11 tances and money transmitting services, and
12 standards against which the effectiveness of
13 those efforts may be determined.

14 (D) Efforts to focus collection and infor-
15 mation analysis to disrupt transnational crimi-
16 nal organizations attempting to exploit security
17 vulnerabilities, and standards against which the
18 effectiveness of those efforts may be deter-
19 mined.

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

22 (F) Efforts to prevent, detect, investigate,
23 and mitigate money laundering activities
24 through remittances and money transmitting

1 services, and standards against which the effec-
2 tiveness of those efforts may be determined.

3 (G) The lawful use of remittances, the role
4 that remittances play in countries' economies,
5 and how any recommended measures would im-
6 pose additional burdens on remittances in light
7 of their lawful uses.

8 **SEC. 14. RULE OF CONSTRUCTION.**

9 Nothing in this Act, or any amendment made by this
10 Act, shall be construed to apply to the authorized law en-
11 forcement, protective, or intelligence activities of the
12 United States or of an intelligence agency of the United
13 States.