UNITING AND STRENGTHENING AMERICA BY PROVIDING APPROPRIATE TOOLS REQUIRED TO INTERCEPT AND OBSTRUCT TERRORISM (USA PATRIOT ACT) ACT OF 2001

Public Law 107-56
107th Congress

An Act

To deter and punish terrorist acts in the United States and around the world, to enhance law enforcement investigatory tools, and for other purposes. <<NOTE: Oct. 26, 2001 - [H.R. 3162]>>

Be it enacted by the Senate and House of Representatives of the United States of America <<NOTE: Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001.>> in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.--This Act may be cited as the `Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001'.

(b) Table of Contents.--The table of contents for this Act is as follows:

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SEC. 2. <<NOTE: 18 USC 1 note.>> CONSTRUCTION; SEVERABILITY.

Any provision of this Act held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, shall be construed so as to give it the maximum effect permitted by law, unless such holding shall be one of utter invalidity or unenforceability, in which event such provision shall be deemed

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severable from this Act and shall not affect the remainder thereof or the application of such provision to other persons not similarly situated or to other, dissimilar circumstances.

TITLE I--ENHANCING DOMESTIC SECURITY AGAINST TERRORISM

SEC. 101. <<NOTE: 28 USC 524 note.>> COUNTERTERRORISM FUND.

(a) Establishment; Availability.--There is hereby established in the Treasury of the United States a separate fund to be known as the "Counterterrorism Fund", amounts in which shall remain available without fiscal year limitation--

(1) to reimburse any Department of Justice component for any costs incurred in connection with--

(A) reestablishing the operational capability of an office or facility that has been damaged or destroyed as the result of any domestic or international terrorism incident;

(B) providing support to counter, investigate, or prosecute domestic or international terrorism, including, without limitation, paying rewards in connection with these activities; and

(C) conducting terrorism threat assessments of Federal agencies and their facilities; and

(2) to reimburse any department or agency of the Federal Government for any costs incurred in connection with detaining
in foreign countries individuals accused of acts of terrorism that violate the laws of the United States.

(b) No Effect on Prior Appropriations.--Subsection (a) shall not be construed to affect the amount or availability of any appropriation to the Counterterrorism Fund made before the date of the enactment of this Act.

SEC. 102. SENSE OF CONGRESS CONDEMNING DISCRIMINATION AGAINST ARAB AND MUSLIM AMERICANS.

(a) Findings.--Congress makes the following findings:

(1) Arab Americans, Muslim Americans, and Americans from South Asia play a vital role in our Nation and are entitled to nothing less than the full rights of every American.

(2) The acts of violence that have been taken against Arab and Muslim Americans since the September 11, 2001, attacks against the United States should be and are condemned by all Americans who value freedom.

(3) The concept of individual responsibility for wrongdoing is sacrosanct in American society, and applies equally to all religious, racial, and ethnic groups.

(4) When American citizens commit acts of violence against those who are, or are perceived to be, of Arab or Muslim descent, they should be punished to the full extent of the law.

(5) Muslim Americans have become so fearful of harassment that many Muslim women are changing the way they dress to avoid becoming targets.

(6) Many Arab Americans and Muslim Americans have acted heroically during the attacks on the United States, including Mohammed Salman Hamdani, a 23-year-old New Yorker of Pakistani descent, who is believed to have gone to the World Trade Center to offer rescue assistance and is now missing.

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(b) Sense of Congress.--It is the sense of Congress that--

(1) the civil rights and civil liberties of all Americans, including Arab Americans, Muslim Americans, and Americans from South Asia, must be protected, and that every effort must be taken to preserve their safety;

(2) any acts of violence or discrimination against any Americans be condemned; and

(3) the Nation is called upon to recognize the patriotism of fellow citizens from all ethnic, racial, and religious backgrounds.

SEC. 103. INCREASED FUNDING FOR THE TECHNICAL SUPPORT CENTER AT THE FEDERAL BUREAU OF INVESTIGATION.

There are authorized to be appropriated for the Technical Support Center established in section 811 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132) to help meet the demands for activities to combat terrorism and support and enhance the technical support and tactical operations of the FBI, $200,000,000 for each of the fiscal years 2002, 2003, and 2004.

SEC. 104. REQUESTS FOR MILITARY ASSISTANCE TO ENFORCE PROHIBITION IN
CERTAIN EMERGENCIES.

Section 2332e of title 18, United States Code, is amended--
(1) by striking "2332c" and inserting "2332a"; and
(2) by striking "chemical".

SEC. 105. EXPANSION OF NATIONAL ELECTRONIC CRIME TASK FORCE INITIATIVE.

The Director of the United States Secret Service shall take appropriate actions to develop a national network of electronic crime task forces, based on the New York Electronic Crimes Task Force model, throughout the United States, for the purpose of preventing, detecting, and investigating various forms of electronic crimes, including potential terrorist attacks against critical infrastructure and financial payment systems.

SEC. 106. PRESIDENTIAL AUTHORITY.

Section 203 of the International Emergency Powers Act (50 U.S.C. 1702) is amended--
(1) in subsection (a)(1)--
   (A) at the end of subparagraph (A) (flush to that subparagraph), by striking "; and" and inserting a comma and the following:
   "by any person, or with respect to any property, subject to the jurisdiction of the United States;";
   (B) in subparagraph (B)--
      (i) by inserting "; block during the pendency of an investigation" after "investigate"; and
      (ii) by striking "interest;" and inserting "interest by any person, or with respect to any property, subject to the jurisdiction of the United States; and";
   (C) by striking "by any person, or with respect to any property, subject to the jurisdiction of the United States;"; and
   (D) by inserting at the end the following:

   "(C) when the United States is engaged in armed hostilities or has been attacked by a foreign country or foreign nationals, confiscate any property, subject to the jurisdiction of the United States, of any foreign person, foreign organization, or foreign country that he determines has planned, authorized, aided, or engaged in such hostilities or attacks against the United States; and all right, title, and interest in any property so confiscated shall vest, when, as, and upon the terms directed by the President, in such agency or person as the President may designate from time to time, and upon such terms and conditions as the President may prescribe, such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes."; and
(2) by inserting at the end the following:
`(c) Classified Information.--In any judicial review of a determination made under this section, if the determination was based on classified information (as defined in section 1(a) of the Classified Information Procedures Act) such information may be submitted to the reviewing court ex parte and in camera. This subsection does not confer or imply any right to judicial review.''

TITLE II--ENHANCED SURVEILLANCE PROCEDURES

SEC. 201. AUTHORITY TO INTERCEPT WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS RELATING TO TERRORISM.

Section 2516(1) of title 18, United States Code, is amended--

(1) by redesignating paragraph (p), as so redesignated by section 434(2) of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132; 110 Stat. 1274), as paragraph (r); and

(2) by inserting after paragraph (p), as so redesignated by section 201(3) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104-208; 110 Stat. 3009-565), the following new paragraph:

``(q) any criminal violation of section 229 (relating to chemical weapons); or sections 2332, 2332a, 2332b, 2332d, 2339A, or 2339B of this title (relating to terrorism); or''.

SEC. 202. AUTHORITY TO INTERCEPT WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS RELATING TO COMPUTER FRAUD AND ABUSE OFFENSES.

Section 2516(1)(c) of title 18, United States Code, is amended by striking `and section 1341 (relating to mail fraud),' and inserting `section 1341 (relating to mail fraud), a felony violation of section 1030 (relating to computer fraud and abuse),''.

SEC. 203. <<NOTE: 18 USC app.>> AUTHORITY TO SHARE CRIMINAL INVESTIGATIVE INFORMATION.

(a) Authority To Share Grand Jury Information.--

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(1) In general.--Rule 6(e)(3)(C) of the Federal Rules of Criminal Procedure is amended to read as follows:

``(C)(i) Disclosure otherwise prohibited by this rule of matters occurring before the grand jury may also be made--

``(I) when so directed by a court preliminarily to or in connection with a judicial proceeding;

``(II) when permitted by a court at the request of the defendant, upon a showing that grounds may exist for a motion to dismiss the indictment because of matters occurring before the grand jury;

``(III) when the disclosure is made by an attorney for the government to another Federal grand jury;

``(IV) when permitted by a court at the...
request of an attorney for the government, upon a showing that such matters may disclose a violation of State criminal law, to an appropriate official of a State or subdivision of a State for the purpose of enforcing such law; or

``(V) when the matters involve foreign intelligence or counterintelligence (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 401a)), or foreign intelligence information (as defined in clause (iv) of this subparagraph), to any Federal law enforcement, intelligence, protective, immigration, national defense, or national security official in order to assist the official receiving that information in the performance of his official duties.

``(ii) If the court orders disclosure of matters occurring before the grand jury, the disclosure shall be made in such manner, at such time, and under such conditions as the court may direct.

``(iii) Any Federal official to whom information is disclosed pursuant to clause (i)(V) of this subparagraph may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information. Within a reasonable time after such disclosure, an attorney for the government shall file under seal a notice with the court stating the fact that such information was disclosed and the departments, agencies, or entities to which the disclosure was made.

``(iv) In clause (i)(V) of this subparagraph, the term 'foreign intelligence information' means--

``(I) information, whether or not concerning a United States person, that relates to the ability of the United States to protect against--

``(aa) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;
``(bb) sabotage or international terrorism by a foreign power or an agent of a foreign power; or
``(cc) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of foreign power; or

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``(II) information, whether or not concerning a United States person, with respect to a foreign power or foreign territory that relates to--

``(aa) the national defense or the security of the United States; or
``(bb) the conduct of the foreign affairs of the United States.''.


(b) Authority To Share Electronic, Wire, and Oral Interception Information.--
(1) Law enforcement.--Section 2517 of title 18, United States Code, is amended by inserting at the end the following:

``(6) Any investigative or law enforcement officer, or attorney for the Government, who by any means authorized by this chapter, has obtained knowledge of the contents of any wire, oral, or electronic communication, or evidence derived therefrom, may disclose such contents to any other Federal law enforcement, intelligence, protective, immigration, national defense, or national security official to the extent that such contents include foreign intelligence or counterintelligence (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 401a)), or foreign intelligence information (as defined in subsection (19) of section 2510 of this title), to assist the official who is to receive that information in the performance of his official duties. Any Federal official who receives information pursuant to this provision may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information.''.

(2) Definition.--Section 2510 of title 18, United States Code, is amended by--

(A) in paragraph (17), by striking `and'' after the semicolon;
(B) in paragraph (18), by striking the period and inserting `; and''; and
(C) by inserting at the end the following:

``(19) `foreign intelligence information' means--

``(A) information, whether or not concerning a United States person, that relates to the ability of the United States to protect against--

``(i) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;
``(ii) sabotage or international terrorism by a foreign power or an agent of a foreign power; or
``(iii) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power; or

``(B) information, whether or not concerning a United States person, with respect to a foreign power or foreign territory that relates to--

``(i) the national defense or the security of the United States; or
``(ii) the conduct of the foreign affairs of the United States.''.

(c) Procedures.--The Attorney General shall establish procedures for the disclosure of information pursuant to section 2517(6)

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and Rule 6(e)(3)(C)(i)(V) of the Federal Rules of Criminal Procedure that identifies a United States person, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801)).

(d) Foreign Intelligence Information.--

(1) In general.--Notwithstanding any other provision of law, it shall be lawful for foreign intelligence or counterintelligence (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 401a)) or foreign intelligence
information obtained as part of a criminal investigation to be disclosed to any Federal law enforcement, intelligence, protective, immigration, national defense, or national security official in order to assist the official receiving that information in the performance of his official duties. Any Federal official who receives information pursuant to this provision may use that information only as necessary in the conduct of that person's official duties subject to any limitations on the unauthorized disclosure of such information.

(2) Definition.--In this subsection, the term "foreign intelligence information" means--

(A) information, whether or not concerning a United States person, that relates to the ability of the United States to protect against--

(i) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;
(ii) sabotage or international terrorism by a foreign power or an agent of a foreign power; or
(iii) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power;

(B) information, whether or not concerning a United States person, with respect to a foreign power or foreign territory that relates to--

(i) the national defense or the security of the United States; or
(ii) the conduct of the foreign affairs of the United States.

SEC. 204. CLARIFICATION OF INTELLIGENCE EXCEPTIONS FROM LIMITATIONS ON INTERCEPTION AND DISCLOSURE OF WIRE, ORAL, AND ELECTRONIC COMMUNICATIONS.

Section 2511(2)(f) of title 18, United States Code, is amended--

(1) by striking "this chapter or chapter 121" and inserting "this chapter or chapter 121 or 206 of this title"; and
(2) by striking "wire and oral" and inserting "wire, oral, and electronic".

SEC. 205. EMPLOYMENT OF TRANSLATORS BY THE FEDERAL BUREAU OF INVESTIGATION.

(a) Authority.--The Director of the Federal Bureau of Investigation is authorized to expedite the employment of personnel as translators to support counterterrorism investigations and operations without regard to applicable Federal personnel requirements and limitations.

(b) Security Requirements.--The Director of the Federal Bureau of Investigation shall establish such security requirements as are necessary for the personnel employed as translators under subsection (a).

(c) Report.--The Attorney General shall report to the Committees on the Judiciary of the House of Representatives and the Senate on--

(1) the number of translators employed by the FBI and other components of the Department of Justice;
(2) any legal or practical impediments to using translators

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employed by other Federal, State, or local agencies, on a full, part-time, or shared basis; and
(3) the needs of the FBI for specific translation services in certain languages, and recommendations for meeting those needs.


Section 105(c)(2)(B) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(c)(2)(B)) is amended by inserting ``, or in circumstances where the Court finds that the actions of the target of the application may have the effect of thwarting the identification of a specified person, such other persons,'' after ``,specified person''.

SEC. 207. DURATION OF FISA SURVEILLANCE OF NON-UNITED STATES PERSONS WHO ARE AGENTS OF A FOREIGN POWER.

(a) Duration.--
(1) Surveillance.--Section 105(e)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(e)(1)) is amended by--
(A) inserting `(A)'' after ``,except that''; and
(B) inserting before the period the following: `, and (B) an order under this Act for a surveillance targeted against an agent of a foreign power, as defined in section 101(b)(1)(A) may be for the period specified in the application or for 120 days, whichever is less''.

(2) Physical Search.--Section 304(d)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1824(d)(1)) is amended by--
(A) striking ``,forty-five'' and inserting ``,90'';
(B) inserting `(A)'' after ``,except that''; and
(C) inserting before the period the following: `, and (B) an order under this section for a physical search targeted against an agent of a foreign power as defined in section 101(b)(1)(A) may be for the period specified in the application or for 120 days, whichever is less''.

(b) Extension.--
(1) In general.--Section 105(d)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(d)(2)) is amended by--
(A) inserting `(A)'' after ``,except that''; and
(B) inserting before the period the following: `, and (B) an extension of an order under this Act for a surveillance targeted against an agent of a foreign power as defined in section 101(b)(1)(A) may be for a period not to exceed 1 year''.

(2) Defined term.--Section 304(d)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1824(d)(2)) is amended by inserting after ``,not a United States person,'' the following: ``,or against an agent of a foreign power as defined in section 101(b)(1)(A),''.

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SEC. 208. DESIGNATION OF JUDGES.

Section 103(a) of the Foreign Intelligence Surveillance Act of 1978
(50 U.S.C. 1803(a)) is amended by--
(1) striking ``seven district court judges'' and inserting
``11 district court judges''; and
(2) inserting ``of whom no fewer than 3 shall reside within
20 miles of the District of Columbia'' after ``circuits''.

SEC. 209. SEIZURE OF VOICE-MAIL MESSAGES PURSUANT TO WARRANTS.

Title 18, United States Code, is amended--
(1) in section 2510--
(A) in paragraph (1), by striking beginning with
``and such'' and all that follows through
``communication''; and
(B) in paragraph (14), by inserting `wire or''
after ``transmission of''; and
(2) in subsections (a) and (b) of section 2703--
(A) by striking `Contents of electronic'' and
inserting `Contents of wire or electronic'' each place
it appears;
(B) by striking `contents of an electronic'' and
inserting `contents of a wire or electronic'' each
place it appears; and
(C) by striking `any electronic'' and inserting
`any wire or electronic'' each place it appears.

SEC. 210. SCOPE OF SUBPOENAS FOR RECORDS OF ELECTRONIC COMMUNICATIONS.

Section 2703(c)(2) of title 18, United States Code, as redesignated
by section 212, is amended--
(1) by striking `entity the name, address, local and long
distance telephone toll billing records, telephone number or
other subscriber number or identity, and length of service of a
subscriber'' and inserting the following: `entity the--
``(A) name;
``(B) address;
``(C) local and long distance telephone connection records,
or records of session times and durations;
``(D) length of service (including start date) and types of
service utilized;
``(E) telephone or instrument number or other subscriber
number or identity, including any temporarily assigned network
address; and
``(F) means and source of payment for such service
(including any credit card or bank account number),
of a subscriber''; and
(2) by striking `and the types of services the subscriber
or customer utilized,''.

SEC. 211. CLARIFICATION OF SCOPE.

Section 631 of the Communications Act of 1934 (47 U.S.C. 551) is
amended--
(1) in subsection (c)(2)--
(A) in subparagraph (B), by striking `''or'';
(B) in subparagraph (C), by striking the period at
the end and inserting `''; or''; and
(C) by inserting at the end the following:

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(D) to a government entity as authorized under chapters 119, 121, or 206 of title 18, United States Code, except that such disclosure shall not include records revealing cable subscriber selection of video programming from a cable operator.'; and

(2) in subsection (h), by striking `A governmental entity'' and inserting `Except as provided in subsection (c)(2)(D), a governmental entity''.

SEC. 212. EMERGENCY DISCLOSURE OF ELECTRONIC COMMUNICATIONS TO PROTECT LIFE AND LIMB.

(a) Disclosure of Contents.--

(1) In general.--Section 2702 of title 18, United States Code, is amended--

(A) by striking the section heading and inserting the following:

``Sec. 2702. Voluntary disclosure of customer communications or records'';

(B) in subsection (a)--

(i) in paragraph (2)(A), by striking `and'' at the end;

(ii) in paragraph (2)(B), by striking the period and inserting `; and''; and

(iii) by inserting after paragraph (2) the following:

``(3) a provider of remote computing service or electronic communication service to the public shall not knowingly divulge a record or other information pertaining to a subscriber to or customer of such service (not including the contents of communications covered by paragraph (1) or (2)) to any governmental entity.'';

(C) in subsection (b), by striking `Exceptions.--A person or entity'' and inserting `Exceptions for disclosure of communications.-- A provider described in subsection (a)'';

(D) in subsection (b)(6)--

(i) in subparagraph (A)(ii), by striking `or'';

(ii) in subparagraph (B), by striking the period and inserting `; or''; and

(iii) by adding after subparagraph (B) the following:

``(C) if the provider reasonably believes that an emergency involving immediate danger of death or serious physical injury to any person requires disclosure of the information without delay.''; and

(E) by inserting after subsection (b) the following:

``(c) Exceptions for Disclosure of Customer Records.--A provider described in subsection (a) may divulge a record or other information pertaining to a subscriber to or customer of such service (not including the contents of communications covered by subsection (a)(1) or (a)(2))--

``(1) as otherwise authorized in section 2703;

``(2) with the lawful consent of the customer or subscriber;

``(3) as may be necessarily incident to the rendition of the service or to the protection of the rights or property of the
provider of that service;

``(4) to a governmental entity, if the provider reasonably believes that an emergency involving immediate danger of death or serious physical injury to any person justifies disclosure of the information; or
``(5) to any person other than a governmental entity.''.

(2) Technical and conforming amendment.--The table of sections for chapter 121 of title 18, United States Code, is amended by striking the item relating to section 2702 and inserting the following:

``2702. Voluntary disclosure of customer communications or records.''.

(b) Requirements for Government Access.--
(1) In general.--Section 2703 of title 18, United States Code, is amended--
(A) by striking the section heading and inserting the following:
``Sec. 2703. Required disclosure of customer communications or records'';
(B) in subsection (c) by redesignating paragraph (2) as paragraph (3);
(C) in subsection (c)(1)--
   (i) by striking ``(A) Except as provided in subparagraph (B), a provider of electronic communication service or remote computing service may'' and inserting ``A governmental entity may require a provider of electronic communication service or remote computing service to'';
   (ii) by striking ``covered by subsection (a) or (b) of this section) to any person other than a governmental entity.
``(B) A provider of electronic communication service or remote computing service shall disclose a record or other information pertaining to a subscriber to or customer of such service (not including the contents of communications covered by subsection (a) or (b) of this section) to a governmental entity'' and inserting ``); and'';
   (iii) by redesignating subparagraph (C) as paragraph (2);
   (iv) by redesignating clauses (i), (ii), (iii), and (iv) as subparagraphs (A), (B), (C), and (D), respectively;
   (v) in subparagraph (D) (as redesignated) by striking the period and inserting `; or' ; and
   (vi) by inserting after subparagraph (D) (as redesignated) the following:
``(E) seeks information under paragraph (2)''; and
(D) in paragraph (2) (as redesignated) by striking `subparagraph (B)'' and insert `paragraph (1)''.

(2) Technical and conforming amendment.--The table of sections for chapter 121 of title 18, United States Code, is amended by striking the item relating to section 2703 and inserting the following:
``2703. Required disclosure of customer communications or records.''.

SEC. 213. AUTHORITY FOR DELAYING NOTICE OF THE EXECUTION OF A WARRANT.

Section 3103a of title 18, United States Code, is amended--

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(1) by inserting ``(a) In General.--'' before ``(In addition''); and

(2) by adding at the end the following:

``(b) Delay.--With respect to the issuance of any warrant or court order under this section, or any other rule of law, to search for and seize any property or material that constitutes evidence of a criminal offense in violation of the laws of the United States, any notice required, or that may be required, to be given may be delayed if--

``(1) the court finds reasonable cause to believe that providing immediate notification of the execution of the warrant may have an adverse result (as defined in section 2705);

``(2) the warrant prohibits the seizure of any tangible property, any wire or electronic communication (as defined in section 2510), or, except as expressly provided in chapter 121, any stored wire or electronic information, except where the court finds reasonable necessity for the seizure; and

``(3) the warrant provides for the giving of such notice within a reasonable period of its execution, which period may thereafter be extended by the court for good cause shown.''.

SEC. 214. PEN REGISTER AND TRAP AND TRACE AUTHORITY UNDER FISA.

(a) Applications and Orders.--Section 402 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1842) is amended--

(1) in subsection (a)(1), by striking ``for any investigation to gather foreign intelligence information or information concerning international terrorism'' and inserting ``for any investigation to obtain foreign intelligence information not concerning a United States person or to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution'';

(2) by amending subsection (c)(2) to read as follows:

``(2) a certification by the applicant that the information likely to be obtained is foreign intelligence information not concerning a United States person or is relevant to an ongoing investigation to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution.'';

(3) by striking subsection (c)(3); and

(4) by amending subsection (d)(2)(A) to read as follows:

``(A) shall specify--

``(i) the identity, if known, of the person who is the subject of the investigation;

``(ii) the identity, if known, of the person to whom is leased or in whose name is listed the telephone line or other facility to which the pen register or trap and trace device is to be
attached or applied;

``(iii) the attributes of the communications to which the order applies, such as the number or other identifier, and, if known, the location of the telephone line or other facility to which the pen register or trap and trace device is to be attached or applied and,

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in the case of a trap and trace device, the geographic limits of the trap and trace order.''.

(b) Authorization During Emergencies.--Section 403 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1843) is amended--

(1) in subsection (a), by striking ``foreign intelligence information or information concerning international terrorism'' and inserting ``foreign intelligence information not concerning a United States person or information to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution''; and

(2) in subsection (b)(1), by striking ``foreign intelligence information or information concerning international terrorism'' and inserting ``foreign intelligence information not concerning a United States person or information to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution''.

SEC. 215. ACCESS TO RECORDS AND OTHER ITEMS UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT.

Title V of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1861 et seq.) is amended by striking sections 501 through 503 and inserting the following:

``SEC. 501. <<NOTE: 50 USC 1861.>> ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS.

``(a)(1) The Director of the Federal Bureau of Investigation or a designee of the Director (whose rank shall be no lower than Assistant Special Agent in Charge) may make an application for an order requiring the production of any tangible things (including books, records, papers, documents, and other items) for an investigation to protect against international terrorism or clandestine intelligence activities, provided that such investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution.

``(2) An investigation conducted under this section shall--

``(A) be conducted under guidelines approved by the Attorney General under Executive Order 12333 (or a successor order); and

``(B) not be conducted of a United States person solely upon the basis of activities protected by the first amendment to the Constitution.

``(b) Each application under this section--
(1) shall be made to--
   (A) a judge of the court established by section 103(a); or
   (B) a United States Magistrate Judge under chapter 43 of title 28, United States Code, who is publicly designated by the Chief Justice of the United States to have the power to hear applications and grant orders for the production of tangible things under this section on behalf of a judge of that court; and

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(2) shall specify that the records concerned are sought for an authorized investigation conducted in accordance with subsection (a)(2) to obtain foreign intelligence information not concerning a United States person or to protect against international terrorism or clandestine intelligence activities.

(c)(1) Upon an application made pursuant to this section, the judge shall enter an ex parte order as requested, or as modified, approving the release of records if the judge finds that the application meets the requirements of this section.

(2) An order under this subsection shall not disclose that it is issued for purposes of an investigation described in subsection (a).

(d) No person shall disclose to any other person (other than those persons necessary to produce the tangible things under this section) that the Federal Bureau of Investigation has sought or obtained tangible things under this section.

(e) A person who, in good faith, produces tangible things under an order pursuant to this section shall not be liable to any other person for such production. Such production shall not be deemed to constitute a waiver of any privilege in any other proceeding or context.

SEC. 502. <<NOTE: 50 USC 1862.>> CONGRESSIONAL OVERSIGHT.

(a) On a semiannual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all requests for the production of tangible things under section 402.

(b) On a semiannual basis, the Attorney General shall provide to the Committees on the Judiciary of the House of Representatives and the Senate a report setting forth with respect to the preceding 6-month period--

(1) the total number of applications made for orders approving requests for the production of tangible things under section 402; and

(2) the total number of such orders either granted, modified, or denied.''.

SEC. 216. MODIFICATION OF AUTHORITIES RELATING TO USE OF PEN REGISTERS AND TRAP AND TRACE DEVICES.

(a) General Limitations.--Section 3121(c) of title 18, United States Code, is amended--

(1) by inserting "or trap and trace device" after "pen register";

(2) by inserting ", routing, addressing," after "dialing"; and

(3) by striking "call processing" and inserting "the

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:... 2/8/03
processing and transmitting of wire or electronic communications so as not to include the contents of any wire or electronic communications''.

(b) Issuance of Orders.--

(1) In general.--Section 3123(a) of title 18, United States Code, is amended to read as follows:

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(a) In General.--
 `(1) Attorney for the government.--Upon an application made under section 3122(a)(1), the court shall enter an ex parte order authorizing the installation and use of a pen register or trap and trace device anywhere within the United States, if the court finds that the attorney for the Government has certified to the court that the information likely to be obtained by such installation and use is relevant to an ongoing criminal investigation. The order, upon service of that order, shall apply to any person or entity providing wire or electronic communication service in the United States whose assistance may facilitate the execution of the order. Whenever such an order is served on any person or entity not specifically named in the order, upon request of such person or entity, the attorney for the Government or law enforcement or investigative officer that is serving the order shall provide written or electronic certification that the order applies to the person or entity being served.
 `(2) State investigative or law enforcement officer.--Upon an application made under section 3122(a)(2), the court shall enter an ex parte order authorizing the installation and use of a pen register or trap and trace device within the jurisdiction of the court, if the court finds that the State law enforcement or investigative officer has certified to the court that the information likely to be obtained by such installation and use is relevant to an ongoing criminal investigation.
 `(3)(A) Where the law enforcement agency implementing an ex parte order under this subsection seeks to do so by installing and using its own pen register or trap and trace device on a packet-switched data network of a provider of electronic communication service to the public, the agency shall ensure that a record will be maintained which will identify--
 ` `(i) any officer or officers who installed the device and any officer or officers who accessed the device to obtain information from the network;
 ` `(ii) the date and time the device was installed, the date and time the device was uninstalled, and the date, time, and duration of each time the device is accessed to obtain information;
 ` `(iii) the configuration of the device at the time of its installation and any subsequent modification thereof; and
 ` `(iv) any information which has been collected by the device.
 To the extent that the pen register or trap and trace device can be set automatically to record this information electronically, the record shall be maintained electronically throughout the installation and use of such device.
 `(B) The record maintained under subparagraph (A) shall be
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provided ex parte and under seal to the court which entered the ex parte order authorizing the installation and use of the device within 30 days after termination of the order (including any extensions thereof).''.

(2) Contents of order.--Section 3123(b)(1) of title 18, United States Code, is amended--

(A) in subparagraph (A)--

(i) by inserting ``or other facility'' after ``telephone line''; and

(ii) by inserting before the semicolon at the end ``or applied''; and

(B) by striking subparagraph (C) and inserting the following:

``(C) the attributes of the communications to which the order applies, including the number or other identifier and, if known, the location of the telephone line or other facility to which the pen register or trap and trace device is to be attached or applied, and, in the case of an order authorizing installation and use of a trap and trace device under subsection (a)(2), the geographic limits of the order; and''.

(3) Nondisclosure requirements.--Section 3123(d)(2) of title 18, United States Code, is amended--

(A) by inserting ``or other facility'' after ``the line''; and

(B) by striking `, or who has been ordered by the court'' and inserting `or applied, or who is obligated by the order''.

(c) Definitions.--

(1) Court of competent jurisdiction.--Section 3127(2) of title 18, United States Code, is amended by striking subparagraph (A) and inserting the following:

``(A) any district court of the United States (including a magistrate judge of such a court) or any United States court of appeals having jurisdiction over the offense being investigated; or''.

(2) Pen register.--Section 3127(3) of title 18, United States Code, is amended--

(A) by striking ``electronic or other impulses'' and all that follows through ``is attached'' and inserting ``dialing, routing, addressing, or signaling information transmitted by an instrument or facility from which a wire or electronic communication is transmitted, provided, however, that such information shall not include the contents of any communication''; and

(B) by inserting ``or process'' after ``device'' each place it appears.

(3) Trap and trace device.--Section 3127(4) of title 18, United States Code, is amended--

(A) by striking ``of an instrument'' and all that follows through the semicolon and inserting ``dialing, routing, addressing, and signaling information reasonably likely to identify the source of a wire or electronic communication, provided, however, that such information shall not include the contents of any communication;''; and
(B) by inserting "or process" after "a device".

(4) Conforming amendment.—Section 3127(1) of title 18, United States Code, is amended—
(A) by striking "and"; and
(B) by inserting "and contents" after "electronic communication service".

(5) Technical amendment.—Section 3124(d) of title 18, United States Code, is amended by striking "the terms of".

(6) Conforming amendment.—Section 3124(b) of title 18, United States Code, is amended by inserting "or other facility" after "the appropriate line".

SEC. 217. INTERCEPTION OF COMPUTER TRESPASSER COMMUNICATIONS.

Chapter 119 of title 18, United States Code, is amended—

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(1) in section 2510—
(A) in paragraph (18), by striking "and" at the end;
(B) in paragraph (19), by striking the period and inserting a semicolon; and
(C) by inserting after paragraph (19) the following:
``(20) `protected computer' has the meaning set forth in section 1030; and
``(21) `computer trespasser'—
``(A) means a person who accesses a protected computer without authorization and thus has no reasonable expectation of privacy in any communication transmitted to, through, or from the protected computer; and
``(B) does not include a person known by the owner or operator of the protected computer to have an existing contractual relationship with the owner or operator of the protected computer for access to all or part of the protected computer.''; and

(2) in section 2511(2), by inserting at the end the following:
``(i) It shall not be unlawful under this chapter for a person acting under color of law to intercept the wire or electronic communications of a computer trespasser transmitted to, through, or from the protected computer, if—
``(I) the owner or operator of the protected computer authorizes the interception of the computer trespasser's communications on the protected computer;
``(II) the person acting under color of law is lawfully engaged in an investigation;
``(III) the person acting under color of law has reasonable grounds to believe that the contents of the computer trespasser's communications will be relevant to the investigation; and
``(IV) such interception does not acquire communications other than those transmitted to or from the computer trespasser.''.

SEC. 218. FOREIGN INTELLIGENCE INFORMATION.

Sections 104(a)(7)(B) and section 303(a)(7)(B) (50 U.S.C.
1804(a)(7)(B) and 1823(a)(7)(B)) of the Foreign Intelligence Surveillance Act of 1978 are each amended by striking `the purpose'' and inserting `a significant purpose''.

SEC. 219. SINGLE-JURISDICTION SEARCH WARRANTS FOR TERRORISM.

Rule 41(a) of the Federal Rules of Criminal Procedure is amended by inserting after `executed'' the following: `and (3) in an investigation of domestic terrorism or international terrorism (as defined in section 2331 of title 18, United States Code), by a Federal magistrate judge in any district in which activities related to the terrorism may have occurred, for a search of property or for a person within or outside the district''.

SEC. 220. NATIONWIDE SERVICE OF SEARCH WARRANTS FOR ELECTRONIC EVIDENCE.

(a) In General.--Chapter 121 of title 18, United States Code, is amended--

(1) in section 2703, by striking `under the Federal Rules of Criminal Procedure'' every place it appears and inserting `using the procedures described in the Federal Rules of

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Criminal Procedure by a court with jurisdiction over the offense under investigation''; and

(2) in section 2711--

(A) in paragraph (1), by striking `and'';

(B) in paragraph (2), by striking the period and inserting `; and''; and

(C) by inserting at the end the following:

``(3) the term `court of competent jurisdiction' has the meaning assigned by section 3127, and includes any Federal court within that definition, without geographic limitation.''.

(b) Conforming Amendment.--Section 2703(d) of title 18, United States Code, is amended by striking `described in section 3127(2)(A)''.

SEC. 221. TRADE SANCTIONS.

(a) In general.--The Trade Sanctions Reform and Export Enhancement Act of 2000 (Public Law 106-387; 114 Stat. 1549A-67) is amended--

(1) by amending section 904(2)(C) to read as follows:

``(C) used to facilitate the design, development, or production of chemical or biological weapons, missiles, or weapons of mass destruction.'';

(2) in section 906(a)(1)--

(A) by inserting `, the Taliban or the territory of Afghanistan controlled by the Taliban,' after `Cuba''; and

(B) by inserting `, or in the territory of Afghanistan controlled by the Taliban,' after `within such country''; and

(3) in section 906(a)(2), by inserting `, or to any other entity in Syria or North Korea'' after `Korea''.

(b) Application of the Trade Sanctions Reform and Export Enhancement Act.--Nothing in the Trade Sanctions Reform and Export Enhancement Act of 2000 shall limit the application or scope of
any law establishing criminal or civil penalties, including any Executive order or regulation promulgated pursuant to such laws (or similar or successor laws), for the unlawful export of any agricultural commodity, medicine, or medical device to--

(1) a foreign organization, group, or person designated pursuant to Executive Order No. 12947 of January 23, 1995, as amended;

(2) a Foreign Terrorist Organization pursuant to the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132);

(3) a foreign organization, group, or person designated pursuant to Executive Order No. 13224 (September 23, 2001);

(4) any narcotics trafficking entity designated pursuant to Executive Order No. 12978 (October 21, 1995) or the Foreign Narcotics Kingpin Designation Act (Public Law 106-120); or

(5) any foreign organization, group, or persons subject to any restriction for its involvement in weapons of mass destruction or missile proliferation.

SEC. 222. ASSISTANCE TO LAW ENFORCEMENT AGENCIES.

Nothing in this Act shall impose any additional technical obligation or requirement on a provider of a wire or electronic communication service or other person to furnish facilities or technical assistance. A provider of a wire or electronic communication service, landlord, custodian, or other person who furnishes facilities or technical assistance pursuant to section 216 shall be reasonably compensated for such reasonable expenditures incurred in providing such facilities or assistance.

SEC. 223. CIVIL LIABILITY FOR CERTAIN UNAUTHORIZED DISCLOSURES.

(a) Section 2520 of title 18, United States Code, is amended--

(1) in subsection (a), after ``entity'', by inserting ``, other than the United States,'';

(2) by adding at the end the following:

``(f) Administrative Discipline.--If a court or appropriate department or agency determines that the United States or any of its departments or agencies has violated any provision of this chapter, and the court or appropriate department or agency finds that the circumstances surrounding the violation raise serious questions about whether or not an officer or employee of the United States acted willfully or intentionally with respect to the violation, the department or agency shall, upon receipt of a true and correct copy of the decision and findings of the court or appropriate department or agency promptly initiate a proceeding to determine whether disciplinary action against the officer or employee is warranted. If the head of the department or agency involved determines that disciplinary action is not warranted, he or she shall notify the Inspector General with jurisdiction over the department or agency concerned and shall provide the Inspector General with the reasons for such determination.''; and

(3) by adding a new subsection (g), as follows:

``(g) Improper Disclosure Is Violation.--Any willful disclosure or use by an investigative or law enforcement officer or governmental..."
entity of information beyond the extent permitted by section 2517 is a violation of this chapter for purposes of section 2520(a)."

(b) Section 2707 of title 18, United States Code, is amended--

(1) in subsection (a), after `entity'', by inserting `, other than the United States,'';

(2) by striking subsection (d) and inserting the following:

``(d) Administrative Discipline.--If a court or appropriate department or agency determines that the United States or any of its departments or agencies has violated any provision of this chapter, and the court or appropriate department or agency finds that the circumstances surrounding the violation raise serious questions about whether or not an officer or employee of the United States acted willfully or intentionally with respect to the violation, the department or agency shall, upon receipt of a true and correct copy of the decision and findings of the court or appropriate department or agency promptly initiate a proceeding to determine whether disciplinary action against the officer or employee is warranted. If the head of the department or agency involved determines that disciplinary action is not warranted, he or she shall notify the Inspector General with jurisdiction over the department or agency concerned and shall provide the Inspector General with the reasons for such determination.''; and

(3) by adding a new subsection (g), as follows:

``(g) Improper Disclosure.--Any willful disclosure of a `record', as that term is defined in section 552a(a) of title 5, United States Code, obtained by an investigative or law enforcement officer, or a governmental entity, pursuant to section 2703 of this title, or from a device installed pursuant to section 3123 or 3125 of this title, that is not a disclosure made in the proper performance of the official functions of the officer or governmental entity making the disclosure, is a violation of this chapter. This provision shall not apply to information previously lawfully disclosed (prior to the commencement of any civil or administrative proceeding under this chapter) to the public by a Federal, State, or local governmental entity or by the plaintiff in a civil action under this chapter.''.

(c)(1) Chapter 121 of title 18, United States Code, is amended by adding at the end the following:

``Sec. 2712. Civil actions against the United States

``(a) In General.--Any person who is aggrieved by any willful violation of this chapter or of chapter 119 of this title or of sections 106(a), 305(a), or 405(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) may commence an action in United States District Court against the United States to recover money damages. In any such action, if a person who is aggrieved successfully establishes such a violation of this chapter or of chapter 119 of this title or of the above specific provisions of title 50, the Court may assess as damages--

``(1) actual damages, but not less than $10,000, whichever amount is greater; and

``(2) litigation costs, reasonably incurred.

``(b) Procedures.--(1) Any action against the United States under this section may be commenced only after a claim is presented to the appropriate department or agency under the procedures of the Federal
Tort Claims Act, as set forth in title 28, United States Code.

`'(2) Any action against the United States under this section shall be forever barred unless it is presented in writing to the appropriate Federal agency within 2 years after such claim accrues or unless action is begun within 6 months after the date of mailing, by certified or registered mail, of notice of final denial of the claim by the agency to which it was presented. The claim shall accrue on the date upon which the claimant first has a reasonable opportunity to discover the violation.

`'(3) Any action under this section shall be tried to the court without a jury.

`'(4) Notwithstanding any other provision of law, the procedures set forth in section 106(f), 305(g), or 405(f) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) shall be the exclusive means by which materials governed by those sections may be reviewed.

`'(5) An amount equal to any award against the United States under this section shall be reimbursed by the department or agency concerned to the fund described in section 1304 of title 31, United States Code, out of any appropriation, fund, or other account (excluding any part of such appropriation, fund, or account that is available for the enforcement of any Federal law) that is available for the operating expenses of the department or agency concerned.

`'(c) Administrative Discipline.--If a court or appropriate department or agency determines that the United States or any of its departments or agencies has violated any provision of this chapter, and the court or appropriate department or agency finds that the circumstances surrounding the violation raise serious questions about whether or not an officer or employee of the United States acted willfully or intentionally with respect to the violation, the department or agency shall, upon receipt of a true and correct copy of the decision and findings of the court or appropriate department or agency promptly initiate a proceeding to determine whether disciplinary action against the officer or employee is warranted. If the head of the department or agency involved determines that disciplinary action is not warranted, he or she shall notify the Inspector General with jurisdiction over the department or agency concerned and shall provide the Inspector General with the reasons for such determination.

`'(d) Exclusive Remedy.--Any action against the United States under this subsection shall be the exclusive remedy against the United States for any claims within the purview of this section.

`'(e) Stay of Proceedings.--(1) Upon the motion of the United States, the court shall stay any action commenced under this section if the court determines that civil discovery will adversely affect the ability of the Government to conduct a related investigation or the prosecution of a related criminal case. Such a stay shall toll the limitations periods of paragraph (2) of subsection (b).

`'(2) In this subsection, the terms 'related criminal case' and 'related investigation' mean an actual prosecution or investigation in progress at the time at which the request for the stay or any subsequent motion to lift the stay is made. In determining whether an investigation or a criminal case is related to an action commenced under this section, the court shall consider the degree of similarity between the parties, witnesses, facts, and circumstances involved in the 2 proceedings, without requiring that any one or more factors be identical.

`'(3) In requesting a stay under paragraph (1), the Government may, in appropriate cases, submit evidence ex parte in order to avoid disclosing any matter that may adversely affect a related investigation
or a related criminal case. If the Government makes such an ex parte submission, the plaintiff shall be given an opportunity to make a submission to the court, not ex parte, and the court may, in its discretion, request further information from either party.''.

(2) The table of sections at the beginning of chapter 121 is amended to read as follows:

``2712. Civil action against the United States.''

SEC. 224. SUNSET.

(a) In General.--Except as provided in subsection (b), this title and the amendments made by this title (other than sections 203(a), 203(c), 205, 208, 210, 211, 213, 216, 219, 221, and 222, and the amendments made by those sections) shall cease to have effect on December 31, 2005.

(b) Exception.--With respect to any particular foreign intelligence investigation that began before the date on which the provisions referred to in subsection (a) cease to have effect, or with respect to any particular offense or potential offense that began or occurred before the date on which such provisions cease to have effect, such provisions shall continue in effect.

SEC. 225. IMMUNITY FOR COMPLIANCE WITH FISA WIRETAP.

Section 105 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805) is amended by inserting after subsection (g) the following:

``(h) No cause of action shall lie in any court against any provider of a wire or electronic communication service, landlord, custodian, or other person (including any officer, employee, agent, or other specified person thereof) that furnishes any information, facilities, or technical assistance in accordance with a court order or request for emergency assistance under this Act.''

TITLE III--INTERNATIONAL MONEY LAUNDERING ABATEMENT AND ANTI-TERRORIST FINANCING ACT OF 2001

SEC. 301. SHORT TITLE.

This title may be cited as the `International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001'.

SEC. 302. FINDINGS AND PURPOSES.

(a) Findings.--The Congress finds that--

(1) money laundering, estimated by the International Monetary Fund to amount to between 2 and 5 percent of global gross domestic product, which is at least $600,000,000,000 annually, provides the financial fuel that permits transnational criminal enterprises to conduct and expand their operations to the detriment of the safety and security of American citizens;

(2) money laundering, and the defects in financial transparency on which money launderers rely, are critical to the financing of global terrorism and the provision of funds for terrorist attacks;

(3) money launderers subvert legitimate financial mechanisms
and banking relationships by using them as protective covering for the movement of criminal proceeds and the financing of crime and terrorism, and, by so doing, can threaten the safety of United States citizens and undermine the integrity of United States financial institutions and of the global financial and trading systems upon which prosperity and growth depend;

(4) certain jurisdictions outside of the United States that offer `offshore' banking and related facilities designed to provide anonymity, coupled with weak financial supervisory and enforcement regimes, provide essential tools to disguise ownership and movement of criminal funds, derived from, or used to commit, offenses ranging from narcotics trafficking, terrorism, arms smuggling, and trafficking in human beings, to financial frauds that prey on law-abiding citizens;

(5) transactions involving such offshore jurisdictions make it difficult for law enforcement officials and regulators to follow the trail of money earned by criminals, organized international criminal enterprises, and global terrorist organizations;

(6) correspondent banking facilities are one of the banking mechanisms susceptible in some circumstances to manipulation by foreign banks to permit the laundering of funds by hiding the identity of real parties in interest to financial transactions;

(7) private banking services can be susceptible to manipulation by money launderers, for example corrupt foreign government officials, particularly if those services include the creation of offshore accounts and facilities for large personal funds transfers to channel funds into accounts around the globe;

(8) United States anti-money laundering efforts are impeded by outmoded and inadequate statutory provisions that make investigations, prosecutions, and forfeitures more difficult, particularly in cases in which money laundering involves foreign persons, foreign banks, or foreign countries;

(9) the ability to mount effective counter-measures to international money launderers requires national, as well as bilateral and multilateral action, using tools specially designed for that effort; and

(10) the Basle Committee on Banking Regulation and Supervisory Practices and the Financial Action Task Force on Money Laundering, of both of which the United States is a member, have each adopted international anti-money laundering principles and recommendations.

(b) Purposes.--The purposes of this title are--

(1) to increase the strength of United States measures to prevent, detect, and prosecute international money laundering and the financing of terrorism;

(2) to ensure that--

(A) banking transactions and financial relationships and the conduct of such transactions and relationships, do not contravene the purposes of subchapter II of chapter 53 of title 31, United States Code, section 21 of the Federal Deposit Insurance Act, or chapter 2 of title I of Public Law 91-508 (84 Stat. 1116), or facilitate the evasion of any such provision; and

(B) the purposes of such provisions of law continue to be fulfilled, and such provisions of law are
to effectively and efficiently administered;

(3) to strengthen the provisions put into place by the Money Laundering Control Act of 1986 (18 U.S.C. 981 note), especially with respect to crimes by non-United States nationals and foreign financial institutions;

(4) to provide a clear national mandate for subjecting to special scrutiny those foreign jurisdictions, financial institutions operating outside of the United States, and classes of international transactions or types of accounts that pose particular, identifiable opportunities for criminal abuse;

(5) to provide the Secretary of the Treasury (in this title referred to as the "Secretary") with broad discretion, subject to the safeguards provided by the Administrative Procedure Act under title 5, United States Code, to take measures tailored to the particular money laundering problems presented by specific foreign jurisdictions, financial institutions operating outside of the United States, and classes of international transactions or types of accounts;

(6) to ensure that the employment of such measures by the Secretary permits appropriate opportunity for comment by affected financial institutions;

(7) to provide guidance to domestic financial institutions on particular foreign jurisdictions, financial institutions operating outside of the United States, and classes of international transactions that are of primary money laundering concern to the United States Government;

(8) to ensure that the forfeiture of any assets in connection with the anti-terrorist efforts of the United States permits for adequate challenge consistent with providing due process rights;

(9) to clarify the terms of the safe harbor from civil liability for filing suspicious activity reports;

(10) to strengthen the authority of the Secretary to issue and administer geographic targeting orders, and to clarify that violations of such orders or any other requirement imposed under the authority contained in chapter 2 of title I of Public Law 91-508 and subchapters II and III of chapter 53 of title 31, United States Code, may result in criminal and civil penalties;

(11) to ensure that all appropriate elements of the financial services industry are subject to appropriate requirements to report potential money laundering transactions to proper authorities, and that jurisdictional disputes do not hinder examination of compliance by financial institutions with relevant reporting requirements;

(12) to strengthen the ability of financial institutions to maintain the integrity of their employee population; and

(13) to strengthen measures to prevent the use of the United States financial system for personal gain by corrupt foreign officials and to facilitate the repatriation of any stolen assets to the citizens of countries to whom such assets belong.

SEC. 303. <<NOTE: 31 USC 5311 note.>> 4-YEAR CONGRESSIONAL REVIEW; EXPEDITED CONSIDERATION.

(a) In General.--Effective <<NOTE: Effective date.>> on and after the first day of fiscal year 2005, the provisions of this title and the
amendments made by this title shall terminate if the Congress enacts a joint resolution, the text after the resolving clause of which is as follows: "That provisions of the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, and the amendments made thereby, shall no longer have the force of law.''.

(b) Expedited Consideration.--Any joint resolution submitted pursuant to this section should be considered by the Congress expeditiously. In particular, it shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Control Act of 1976.

Subtitle A--International Counter Money Laundering and Related Measures

SEC. 311. SPECIAL MEASURES FOR JURISDICTIONS, FINANCIAL INSTITUTIONS, OR INTERNATIONAL TRANSACTIONS OF PRIMARY MONEY LAUNDERING CONCERN.

(a) In General.--Subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after section 5318 the following new section:

`Sec. 5318A. Special measures for jurisdictions, financial institutions, or international transactions of primary money laundering concern

`\(\text{a) International Counter-Money Laundering Requirements.--}\)

`\(\text{(1) In general.--The Secretary of the Treasury may require domestic financial institutions and domestic financial agencies to take 1 or more of the special measures described in subsection (b) if the Secretary finds that reasonable grounds exist for concluding that a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts is of primary money laundering concern, in accordance with subsection (c).}\)

`\(\text{(2) Form of requirement.--The special measures described in--}\)

`\(\text{(A) subsection (b) may be imposed in such sequence or combination as the Secretary shall determine;}\)

`\(\text{(B) paragraphs (1) through (4) of subsection (b) may be imposed by regulation, order, or otherwise as permitted by law; and}\)

`\(\text{(C) subsection (b)(5) may be imposed only by regulation.}\)

`\(\text{(3) Duration of orders; rulemaking.--Any order by which a special measure described in paragraphs (1) through (4) of subsection (b) is imposed (other than an order described in section 5326)--}\)

`\(\text{(A) shall be issued together with a notice of proposed rulemaking relating to the imposition of such special measure; and}\)

`\(\text{(B) may not remain in effect for more than 120 days, except pursuant to a rule promulgated on or before the end of the 120-day period beginning on the date of issuance of such order.}\)
(4) Process for selecting special measures.--In selecting which special measure or measures to take under this subsection, the Secretary of the Treasury--
``(A) shall consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency, as defined in section 3 of the Federal Deposit Insurance Act, the Secretary of State, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the National Credit Union Administration Board, and in the sole discretion of the Secretary, such other agencies and interested parties as the Secretary may find to be appropriate; and
``(B) shall consider--
``(i) whether similar action has been or is being taken by other nations or multilateral groups;
``(ii) whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;
``(iii) the extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearing, and settlement system, or on legitimate business activities involving the particular jurisdiction, institution, or class of transactions; and
``(iv) the effect of the action on United States national security and foreign policy.
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``(5) No limitation on other authority.--This section shall not be construed as superseding or otherwise restricting any other authority granted to the Secretary, or to any other agency, by this subchapter or otherwise.
``(b) Special Measures.--The special measures referred to in subsection (a), with respect to a jurisdiction outside of the United States, financial institution operating outside of the United States, class of transaction within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts are as follows:
``(1) Recordkeeping and reporting of certain financial transactions.--
``(A) In general.--The Secretary of the Treasury may require any domestic financial institution or domestic financial agency to maintain records, file reports, or both, concerning the aggregate amount of transactions, or concerning each transaction, with respect to a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts if the Secretary finds any such jurisdiction, institution, or class of transactions to be of primary money laundering concern.
``(B) Form of records and reports.--Such records and
reports shall be made and retained at such time, in such manner, and for such period of time, as the Secretary shall determine, and shall include such information as the Secretary may determine, including—
``(i) the identity and address of the participants in a transaction or relationship, including the identity of the originator of any funds transfer;
``(ii) the legal capacity in which a participant in any transaction is acting;
``(iii) the identity of the beneficial owner of the funds involved in any transaction, in accordance with such procedures as the Secretary determines to be reasonable and practicable to obtain and retain the information; and
``(iv) a description of any transaction.
``(2) Information relating to beneficial ownership.—In addition to any other requirement under any other provision of law, the Secretary may require any domestic financial institution or domestic financial agency to take such steps as the Secretary may determine to be reasonable and practicable to obtain and retain information concerning the beneficial ownership of any account opened or maintained in the United States by a foreign person (other than a foreign entity whose shares are subject to public reporting requirements or are listed and traded on a regulated exchange or trading market), or a representative of such a foreign person, that involves a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts if the Secretary finds any such jurisdiction, institution, or transaction or type of account to be of primary money laundering concern.

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``(3) Information relating to certain payable-through accounts.—If the Secretary finds a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States to be of primary money laundering concern, the Secretary may require any domestic financial institution or domestic financial agency that opens or maintains a payable-through account in the United States for a foreign financial institution involving any such jurisdiction or any such financial institution operating outside of the United States, or a payable through account through which any such transaction may be conducted, as a condition of opening or maintaining such account—
``(A) to identify each customer (and representative of such customer) of such financial institution who is permitted to use, or whose transactions are routed through, such payable-through account; and
``(B) to obtain, with respect to each such customer (and each such representative), information that is substantially comparable to that which the depository institution obtains in the ordinary course of business with respect to its customers residing in the United
States.

``(4) Information relating to certain correspondent accounts.--If the Secretary finds a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, or 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States to be of primary money laundering concern, the Secretary may require any domestic financial institution or domestic financial agency that opens or maintains a correspondent account in the United States for a foreign financial institution involving any such jurisdiction or any such financial institution operating outside of the United States, or a correspondent account through which any such transaction may be conducted, as a condition of opening or maintaining such account--

``(A) to identify each customer (and representative of such customer) of any such financial institution who is permitted to use, or whose transactions are routed through, such correspondent account; and
``(B) to obtain, with respect to each such customer (and each such representative), information that is substantially comparable to that which the depository institution obtains in the ordinary course of business with respect to its customers residing in the United States.

``(5) Prohibitions or conditions on opening or maintaining certain correspondent or payable-through accounts.--If the Secretary finds a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, or 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States to be of primary money laundering concern, the Secretary, in consultation with the Secretary of State, the Attorney General, and the Chairman of the Board of Governors of the Federal Reserve System, may prohibit, or impose conditions upon, the opening or maintaining in the United States of a correspondent account or payable-through account by any domestic financial institution or domestic financial agency for or on behalf of a foreign banking institution, if such correspondent account or payable-through account involves any such jurisdiction or institution, or if any such transaction may be conducted through such correspondent account or payable-through account.

``(c) Consultations and Information To Be Considered in Finding Jurisdictions, Institutions, Types of Accounts, or Transactions To Be of Primary Money Laundering Concern.--

``(1) In general.--In making a finding that reasonable grounds exist for concluding that a jurisdiction outside of the United States, 1 or more financial institutions operating outside of the United States, 1 or more classes of transactions within, or involving, a jurisdiction outside of the United States, or 1 or more types of accounts is of primary money laundering concern so as to authorize the Secretary of the Treasury to take 1 or more of the special measures described in subsection (b), the Secretary shall consult with the Secretary of State and the Attorney General.
``(2) Additional considerations.--In making a finding

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described in paragraph (1), the Secretary shall consider in addition such information as the Secretary determines to be relevant, including the following potentially relevant factors:

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(A) Jurisdictional factors.--In the case of a particular jurisdiction--
  (i) evidence that organized criminal groups, international terrorists, or both, have transacted business in that jurisdiction;
  (ii) the extent to which that jurisdiction or financial institutions operating in that jurisdiction offer bank secrecy or special regulatory advantages to nonresidents or nondomiciliaries of that jurisdiction;
  (iii) the substance and quality of administration of the bank supervisory and counter-money laundering laws of that jurisdiction;
  (iv) the relationship between the volume of financial transactions occurring in that jurisdiction and the size of the economy of the jurisdiction;
  (v) the extent to which that jurisdiction is characterized as an offshore banking or secrecy haven by credible international organizations or multilateral expert groups;
  (vi) whether the United States has a mutual legal assistance treaty with that jurisdiction, and the experience of United States law enforcement officials and regulatory officials in obtaining information about transactions originating in or routed through or to such jurisdiction; and
  (vii) the extent to which that jurisdiction is characterized by high levels of official or institutional corruption.
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(B) Institutional factors.--In the case of a decision to apply 1 or more of the special measures described in subsection (b) only to a financial institution or institutions, or to a transaction or class of transactions, or to a type of account, or to all 3, within or involving a particular jurisdiction--
  (i) the extent to which such financial institutions, transactions, or types of accounts are used to facilitate or promote money laundering in or through the jurisdiction;
  (ii) the extent to which such institutions, transactions, or types of accounts are used for legitimate business purposes in the jurisdiction; and
  (iii) the extent to which such action is sufficient to ensure, with respect to transactions involving the jurisdiction and institutions operating in the jurisdiction, that the purposes of this subchapter continue to be fulfilled, and to guard against international money laundering and other financial crimes.
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(d) Notification of Special Measures Invoked by the Secretary.—Not later <<NOTE: Deadline.>> than 10 days after the date of any action taken by the Secretary of the Treasury under subsection (a)(1), the Secretary shall notify, in writing, the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate of any such action.

(e) Definitions.—Notwithstanding any other provision of this subchapter, for purposes of this section and subsections (i) and (j) of section 5318, the following definitions shall apply:

1. Bank definitions.—The following definitions shall apply with respect to a bank:

   (A) Account.—The term 'account'—
   
   (i) means a formal banking or business relationship established to provide regular services, dealings, and other financial transactions; and
   
   (ii) includes a demand deposit, savings deposit, or other transaction or asset account and a credit account or other extension of credit.

   (B) Correspondent account.—The term 'correspondent account' means an account established to receive deposits from, make payments on behalf of a foreign financial institution, or handle other financial transactions related to such institution.

   (C) Payable-through account.—The term 'payable-through account' means an account, including a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act), opened at a depository institution by a foreign financial institution by means of which the foreign financial institution permits its customers to engage, either directly or through a subaccount, in banking activities usual in connection with the business of banking in the United States.

2. Definitions applicable to institutions other than banks.—With respect to any financial institution other than a bank, the Secretary shall, after consultation with the appropriate Federal functional regulators (as defined in section 509 of the Gramm-Leach-Bliley Act), define by regulation the term 'account', and shall include within the meaning of that term, to the extent, if any, that the Secretary deems appropriate, arrangements similar to payable-through and correspondent accounts.

3. Regulatory definition of beneficial ownership.—The Secretary shall promulgate regulations defining beneficial ownership of an account for purposes of this section and subsections (i) and (j) of section 5318. Such regulations shall address issues related to an individual's authority to fund, direct, or manage the account (including, without limitation, the power to direct payments into or out of the account), and an individual's material interest in the income or corpus of the account, and shall ensure that the identification of individuals under this section does not extend to any individual whose beneficial interest in the income or corpus of the account is immaterial.

4. Other terms.—The Secretary may, by regulation,
further define the terms in paragraphs (1), (2), and (3), and define other terms for the purposes of this section, as the Secretary deems appropriate.''.

(b) Clerical Amendment.--The table of sections for subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5318 the following new item:

``5318A. Special measures for jurisdictions, financial institutions, or international transactions of primary money laundering concern.''

SEC. 312. SPECIAL DUE DILIGENCE FOR CORRESPONDENT ACCOUNTS AND PRIVATE BANKING ACCOUNTS.

(a) In General.--Section 5318 of title 31, United States Code, is amended by adding at the end the following:

``(i) Due Diligence for United States Private Banking and Correspondent Bank Accounts Involving Foreign Persons.--

``(1) In general.--Each financial institution that establishes, maintains, administers, or manages a private banking account or a correspondent account in the United States for a non-United States person, including a foreign individual visiting the United States, or a representative of a non-United States person shall establish appropriate, specific, and, where necessary, enhanced, due diligence policies, procedures, and controls that are reasonably designed to detect and report instances of money laundering through those accounts.

``(2) Additional standards for certain correspondent accounts.--

``(A) In general.--Subparagraph (B) shall apply if a correspondent account is requested or maintained by, or on behalf of, a foreign bank operating--

``(i) under an offshore banking license; or

``(ii) under a banking license issued by a foreign country that has been designated--

``(I) as noncooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the United States is a member, with which designation the United States representative to the group or organization concurs; or

``(II) by the Secretary of the Treasury as warranting special measures due to money laundering concerns.

``(B) Policies, procedures, and controls.--The enhanced due diligence policies, procedures, and controls required under paragraph (1) shall, at a minimum, ensure that the financial institution in the United States takes reasonable steps--

``(i) to ascertain for any such foreign bank, the shares of which are not publicly traded, the identity

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of each of the owners of the foreign bank, and the nature and extent of the ownership interest of
each such owner;
   ``(ii) to conduct enhanced scrutiny of such account to guard against money laundering and report any suspicious transactions under subsection (g); and
   ``(iii) to ascertain whether such foreign bank provides correspondent accounts to other foreign banks and, if so, the identity of those foreign banks and related due diligence information, as appropriate under paragraph (1).
   ``(3) Minimum standards for private banking accounts.--If a private banking account is requested or maintained by, or on behalf of, a non-United States person, then the due diligence policies, procedures, and controls required under paragraph (1) shall, at a minimum, ensure that the financial institution takes reasonable steps--
      ``(A) to ascertain the identity of the nominal and beneficial owners of, and the source of funds deposited into, such account as needed to guard against money laundering and report any suspicious transactions under subsection (g); and
      ``(B) to conduct enhanced scrutiny of any such account that is requested or maintained by, or on behalf of, a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure that is reasonably designed to detect and report transactions that may involve the proceeds of foreign corruption.
   ``(4) Definition.--For purposes of this subsection, the following definitions shall apply:
      ``(A) Offshore banking license.--The term 'offshore banking license' means a license to conduct banking activities which, as a condition of the license, prohibits the licensed entity from conducting banking activities with the citizens of, or with the local currency of, the country which issued the license.
      ``(B) Private banking account.--The term 'private banking account' means an account (or any combination of accounts) that--
         ``(i) requires a minimum aggregate deposits of funds or other assets of not less than $1,000,000;
         ``(ii) is established on behalf of 1 or more individuals who have a direct or beneficial ownership interest in the account; and
         ``(iii) is assigned to, or is administered or managed by, in whole or in part, an officer, employee, or agent of a financial institution acting as a liaison between the financial institution and the direct or beneficial owner of the account.''

(b) Regulatory <<NOTE: 31 USC 5318 note.>> Authority and Effective Date.--
   (1) Regulatory <<NOTE: Deadline.>> authority.--Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the appropriate Federal functional regulators (as defined in section 509 of the Gramm-Leach-Bliley Act) of the affected financial institutions, shall further delineate, by regulation, the due diligence policies, procedures, and controls required
under section 5318(i)(1) of title 31, United States Code, as added by this section.

(2) Effective date.--Section 5318(i) of title 31, United States Code, as added by this section, shall take effect 270 days after the date of enactment of this Act, whether or not final regulations are issued under paragraph (1), and the failure to issue such regulations shall in no way affect the enforceability of this section or the amendments made by this section. Section 5318(i) of title 31, United States Code, as added by this section, shall apply with respect to accounts covered by that section 5318(i), that are opened before, on, or after the date of enactment of this Act.

SEC. 313. PROHIBITION ON UNITED STATES CORRESPONDENT ACCOUNTS WITH FOREIGN SHELL BANKS.

(a) In General.--Section 5318 of title 31, United States Code, as amended by this title, is amended by adding at the end the following:

``(j) Prohibition on United States Correspondent Accounts With Foreign Shell Banks.--

``(1) In general.--A financial institution described in subparagraphs (A) through (G) of section 5312(a)(2) (in this subsection referred to as a `covered financial institution') shall not establish, maintain, administer, or manage a correspondent account in the United States for, or on behalf of, a foreign bank that does not have a physical presence in any country.

``(2) Prevention of indirect service to foreign shell banks.--A covered financial institution shall take reasonable steps to ensure that any correspondent account established, maintained, administered, or managed by that covered financial institution in the United States for a foreign bank is not being used by that foreign bank to indirectly provide banking services to another foreign bank that does not have a physical presence in any country. The Secretary of the Treasury shall, by regulation, delineate the reasonable steps necessary to comply with this paragraph.

``(3) Exception.--Paragraphs (1) and (2) do not prohibit a covered financial institution from providing a correspondent account to a foreign bank, if the foreign bank--

``(A) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable; and

``(B) is subject to supervision by a banking authority in the country regulating the affiliated depository institution, credit union, or foreign bank described in subparagraph (A), as applicable.

``(4) Definitions.--For purposes of this subsection--

``(A) the term `affiliate' means a foreign bank that is controlled by or is under common control with a depository institution, credit union, or foreign bank; and

``(B) the term `physical presence' means a place of business that--

``(i) is maintained by a foreign bank;

``(ii) is located at a fixed address (other...
than solely an electronic address) in a country in which the foreign

bank is authorized to conduct banking activities, at which location the foreign bank--
``(I) employs 1 or more individuals
on a full-time basis; and
``(II) maintains operating records
related to its banking activities; and
``(iii) is subject to inspection by the
banking authority which licensed the foreign bank
to conduct banking activities.''.

(b) Effective <<NOTE: 31 USC 5318 note.>> Date.--The amendment made
by subsection (a) shall take effect at the end of the 60-day period
beginning on the date of enactment of this Act.

SEC. 314. <<NOTE: 31 USC 5311 note.>> COOPERATIVE EFFORTS TO DETER MONEY
LAUNDERING.

(a) Cooperation Among Financial Institutions, Regulatory
Authorities, and Law Enforcement Authorities.--

(1) Regulations.--The <<NOTE: Deadline.>> Secretary shall,
within 120 days after the date of enactment of this Act, adopt
regulations to encourage further cooperation among financial
institutions, their regulatory authorities, and law enforcement
authorities, with the specific purpose of encouraging regulatory
authorities and law enforcement authorities to share with
financial institutions information regarding individuals,
entities, and organizations engaged in or reasonably suspected
based on credible evidence of engaging in terrorist acts or
money laundering activities.

(2) Cooperation and information sharing procedures.--The
regulations adopted under paragraph (1) may include or create
procedures for cooperation and information sharing focusing on--

(A) matters specifically related to the finances of
terrorist groups, the means by which terrorist groups
transfer funds around the world and within the United
States, including through the use of charitable
organizations, nonprofit organizations, and
nongovernmental organizations, and the extent to which
financial institutions in the United States are
unwittingly involved in such finances and the extent to
which such institutions are at risk as a result;

(B) the relationship, particularly the financial
relationship, between international narcotics
traffickers and foreign terrorist organizations, the
extent to which their memberships overlap and engage in
joint activities, and the extent to which they cooperate
with each other in raising and transferring funds for
their respective purposes; and

(C) means of facilitating the identification of
accounts and transactions involving terrorist groups and
facilitating the exchange of information concerning such
accounts and transactions between financial institutions
and law enforcement organizations.

(3) Contents.--The regulations adopted pursuant to paragraph
(1) may--
(A) require that each financial institution designate 1 or more persons to receive information concerning, and to monitor accounts of individuals, entities, and organizations identified, pursuant to paragraph (1); and

(B) further establish procedures for the protection of the shared information, consistent with the capacity, size,

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and nature of the institution to which the particular procedures apply.

(4) Rule of construction.--The receipt of information by a financial institution pursuant to this section shall not relieve or otherwise modify the obligations of the financial institution with respect to any other person or account.

(5) Use of information.--Information received by a financial institution pursuant to this section shall not be used for any purpose other than identifying and reporting on activities that may involve terrorist acts or money laundering activities.

(b) Cooperation Among Financial Institutions.--Upon notice provided to the Secretary, 2 or more financial institutions and any association of financial institutions may share information with one another regarding individuals, entities, organizations, and countries suspected of possible terrorist or money laundering activities. A financial institution or association that transmits, receives, or shares such information for the purposes of identifying and reporting activities that may involve terrorist acts or money laundering activities shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure, or any other person identified in the disclosure, except where such transmission, receipt, or sharing violates this section or regulations promulgated pursuant to this section.

(c) Rule of Construction.--Compliance with the provisions of this title requiring or allowing financial institutions and any association of financial institutions to disclose or share information regarding individuals, entities, and organizations engaged in or suspected of engaging in terrorist acts or money laundering activities shall not constitute a violation of the provisions of title V of the Gramm-Leach-Bliley Act (Public Law 106-102).

(d) Reports to the Financial Services Industry on Suspicious Financial Activities.--At least semiannually, the Secretary shall--

(1) publish a report containing a detailed analysis identifying patterns of suspicious activity and other investigative insights derived from suspicious activity reports and investigations conducted by Federal, State, and local law enforcement agencies to the extent appropriate; and

(2) distribute such report to financial institutions (as defined in section 5312 of title 31, United States Code).

SEC. 315. INCLUSION OF FOREIGN CORRUPTION OFFENSES AS MONEY LAUNDERING CRIMES.

Section 1956(c)(7) of title 18, United States Code, is amended--

(1) in subparagraph (B)--
(A) in clause (ii), by striking "or destruction of property by means of explosive or fire'" and inserting
"destruction of property by means of explosive or fire, or a crime of violence (as defined in section 16)'";
(B) in clause (iii), by striking "1978" and
inserting "'1978)"; and
(C) by adding at the end the following:

``(iv) bribery of a public official, or the
misappropriation, theft, or embezzlement of public
funds by or for the benefit of a public official;
``(v) smuggling or export control violations
involving--
``(I) an item controlled on the
United States Munitions List established
under section 38 of the Arms Export
Control Act (22 U.S.C. 2778); or
``(II) an item controlled under
regulations under the Export
Administration Regulations (15 C.F.R.
Parts 730-774); or
``(vi) an offense with respect to which the
United States would be obligated by a multilateral
treaty, either to extradite the alleged offender
or to submit the case for prosecution, if the
offender were found within the territory of the
United States;''; and
(2) in subparagraph (D)--
(A) by inserting "section 541 (relating to goods
falsely classified)," before "section 542";
(B) by inserting "section 922(1) (relating to the
unlawful importation of firearms), section 924(n)
(relating to firearms trafficking)," before "section
956";
(C) by inserting "section 1030 (relating to
computer fraud and abuse)," before "1032"; and
(D) by inserting "any felony violation of the
Foreign Agents Registration Act of 1938," before "or
any felony violation of the Foreign Corrupt Practices
Act".

SEC. 316. ANTI-TERRORIST FORFEITURE PROTECTION.

(a) Right <<NOTE: 18 USC 983 note.>> to Contest.--An owner of
property that is confiscated under any provision of law relating to the
confiscation of assets of suspected international terrorists, may
contest that confiscation by filing a claim in the manner set forth in
the Federal Rules of Civil Procedure (Supplemental Rules for Certain
Admiralty and Maritime Claims), and asserting as an affirmative defense that--

(1) the property is not subject to confiscation under such
provision of law; or

(2) the innocent owner provisions of section 983(d) of title
18, United States Code, apply to the case.

(b) Evidence.--In <<NOTE: 18 USC 983 note.>> considering a claim
filed under this section, a court may admit evidence that is otherwise
inadmissible under the Federal Rules of Evidence, if the court
determines that the evidence is reliable, and that compliance with the Federal Rules of Evidence may jeopardize the national security interests of the United States.

(c) <<NOTE: 18 USC 983 note.>> Clarifications.--

(1) Protection of rights.--The exclusion of certain provisions of Federal law from the definition of the term "civil forfeiture statute" in section 983(i) of title 18, United States Code, shall not be construed to deny an owner of property the right to contest the confiscation of assets of suspected international terrorists under--

(A) subsection (a) of this section;
(B) the Constitution; or

(C) subchapter II of chapter 5 of title 5, United States Code (commonly known as the "Administrative Procedure Act").

(2) Savings clause.--Nothing in this section shall limit or otherwise affect any other remedies that may be available to an owner of property under section 983 of title 18, United States Code, or any other provision of law.

(d) Technical Correction.--Section 983(i)(2)(D) of title 18, United States Code, is amended by inserting "or the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 et seq.)" before the semicolon.

SEC. 317. LONG-ARM JURISDICTION OVER FOREIGN MONEY LAUNDERERS.

Section 1956(b) of title 18, United States Code, is amended--

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the right;
(2) by inserting after ``(b)'' the following: ``Penalties.--``(1) In general.--'';
(3) by inserting `, or section 1957'' after `or (a)(3)'';

and
(4) by adding at the end the following:
``(2) Jurisdiction over foreign persons.--For purposes of adjudicating an action filed or enforcing a penalty ordered under this section, the district courts shall have jurisdiction over any foreign person, including any financial institution authorized under the laws of a foreign country, against whom the action is brought, if service of process upon the foreign person is made under the Federal Rules of Civil Procedure or the laws of the country in which the foreign person is found, and--
``(A) the foreign person commits an offense under subsection (a) involving a financial transaction that occurs in whole or in part in the United States;
``(B) the foreign person converts, to his or her own use, property in which the United States has an ownership interest by virtue of the entry of an order of forfeiture by a court of the United States; or
``(C) the foreign person is a financial institution that maintains a bank account at a financial institution in the United States.

``(3) Court authority over assets.--A court described in paragraph (2) may issue a pretrial restraining order or take any
other action necessary to ensure that any bank account or other property held by the defendant in the United States is available to satisfy a judgment under this section.

``(4) Federal receiver.--

``(A) In general.--A court described in paragraph (2) may appoint a Federal Receiver, in accordance with subparagraph (B) of this paragraph, to collect, marshal, and take custody, control, and possession of all assets of the defendant, wherever located, to satisfy a civil judgment under this subsection, a forfeiture judgment under section 981 or 982, or a criminal sentence under section 1957 or subsection (a) of this section, including an order of restitution to any victim of a specified unlawful activity.

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``(B) Appointment and authority.--A Federal Receiver described in subparagraph (A)--

``(i) may be appointed upon application of a Federal prosecutor or a Federal or State regulator, by the court having jurisdiction over the defendant in the case;

``(ii) shall be an officer of the court, and the powers of the Federal Receiver shall include the powers set out in section 754 of title 28, United States Code; and

``(iii) shall have standing equivalent to that of a Federal prosecutor for the purpose of submitting requests to obtain information regarding the assets of the defendant--

``(I) from the Financial Crimes Enforcement Network of the Department of the Treasury; or

``(II) from a foreign country pursuant to a mutual legal assistance treaty, multilateral agreement, or other arrangement for international law enforcement assistance, provided that such requests are in accordance with the policies and procedures of the Attorney General.''.

SEC. 318. LAUNDERING MONEY THROUGH A FOREIGN BANK.

Section 1956(c) of title 18, United States Code, is amended by striking paragraph (6) and inserting the following:

``(6) the term 'financial institution' includes--

``(A) any financial institution, as defined in section 5312(a)(2) of title 31, United States Code, or the regulations promulgated thereunder; and

``(B) any foreign bank, as defined in section 1 of the International Banking Act of 1978 (12 U.S.C. 3101).''.

SEC. 319. FORFEITURE OF FUNDS IN UNITED STATES INTERBANK ACCOUNTS.

(a) Forfeiture From United States Interbank Account.--Section 981 of title 18, United States Code, is amended by adding at the end the following:
``(k) Interbank Accounts.--

``(1) In general.--

``(A) In general.--For the purpose of a forfeiture under this section or under the Controlled Substances Act (21 U.S.C. 801 et seq.), if funds are deposited into an account at a foreign bank, and that foreign bank has an interbank account in the United States with a covered financial institution (as defined in section 5318(j)(1) of title 31), the funds shall be deemed to have been deposited into the interbank account in the United States, and any restraining order, seizure warrant, or arrest warrant in rem regarding the funds may be served on the covered financial institution, and funds in the interbank account, up to the value of the funds deposited into the account at the foreign bank, may be restrained, seized, or arrested.

``(B) Authority to suspend.--The Attorney General, in consultation with the Secretary of the Treasury, may suspend or terminate a forfeiture under this section if the Attorney General determines that a conflict of law exists between the laws of the jurisdiction in which the foreign bank is located and the laws of the United States with respect to liabilities arising from the restraint, seizure, or arrest of such funds, and that such suspension or termination would be in the interest of justice and would not harm the national interests of the United States.

``(2) No requirement for government to trace funds.--If a forfeiture action is brought against funds that are restrained, seized, or arrested under paragraph (1), it shall not be necessary for the Government to establish that the funds are directly traceable to the funds that were deposited into the foreign bank, nor shall it be necessary for the Government to rely on the application of section 984.

``(3) Claims brought by owner of the funds.--If a forfeiture action is instituted against funds restrained, seized, or arrested under paragraph (1), the owner of the funds deposited into the account at the foreign bank may contest the forfeiture by filing a claim under section 983.

``(4) Definitions.--For purposes of this subsection, the following definitions shall apply:

``(A) Interbank account.--The term `interbank account' has the same meaning as in section 984(c)(2)(B).

``(B) Owner.--

``(i) In general.--Except as provided in clause (ii), the term `owner'--

``(I) means the person who was the owner, as that term is defined in section 983(d)(6), of the funds that were deposited into the foreign bank at the time such funds were deposited; and

``(II) does not include either the foreign bank or any financial institution acting as an intermediary in the transfer of the funds into the
interbank account.

(ii) Exception.--The foreign bank may be considered the `owner' of the funds (and no other person shall qualify as the owner of such funds) only if--

``(I) the basis for the forfeiture action is wrongdoing committed by the foreign bank; or
``(II) the foreign bank establishes, by a preponderance of the evidence, that prior to the restraint, seizure, or arrest of the funds, the foreign bank had discharged all or part of its obligation to the prior owner of the funds, in which case the foreign bank shall be deemed the owner of the funds to the extent of such discharged obligation.''.

(b) Bank Records.--Section 5318 of title 31, United States Code, as amended by this title, is amended by adding at the end the following:

``(k) Bank Records Related to Anti-Money Laundering Programs.--
``(1) Definitions.--For purposes of this subsection, the following definitions shall apply:
``(A) Appropriate federal banking agency.--The term 'appropriate Federal banking agency' has the same meaning as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).
``(B) Incorporated term.--The term 'correspondent account' has the same meaning as in section 5318A(f)(1)(B).

``(2) 120-hour rule.--Not later than 120 hours after receiving a request by an appropriate Federal banking agency for information related to anti-money laundering compliance by a covered financial institution or a customer of such institution, a covered financial institution shall provide to the appropriate Federal banking agency, information and account documentation for any account opened, maintained, administered or managed in the United States by the covered financial institution.

``(3) Foreign bank records.--
``(A) Summons or subpoena of records.--
``(i) In general.--The Secretary of the Treasury or the Attorney General may issue a summons or subpoena to any foreign bank that maintains a correspondent account in the United States and request records related to such correspondent account, including records maintained outside of the United States relating to the deposit of funds into the foreign bank.
``(ii) Service of summons or subpoena.--A summons or subpoena referred to in clause (i) may be served on the foreign bank in the United States if the foreign bank has a representative in the United States, or in a foreign country pursuant to any mutual legal assistance treaty, multilateral
agreement, or other request for international law enforcement assistance.

``(B) Acceptance of service.--
``(i) Maintaining records in the united states.--Any covered financial institution which maintains a correspondent account in the United States for a foreign bank shall maintain records in the United States identifying the owners of such foreign bank and the name and address of a person who resides in the United States and is authorized to accept service of legal process for records regarding the correspondent account.
``(ii) Law enforcement request.--Upon receipt of a written request from a Federal law enforcement officer for information required to be maintained under this paragraph, the covered financial institution shall provide the information to the requesting officer not later than 7 days after receipt of the request.
``(C) Termination of correspondent relationship.--
``(i) Termination upon receipt of notice.--A covered financial institution shall terminate any correspondent relationship with a foreign bank not later than 10 business days after receipt of written notice from the Secretary or the Attorney General (in each case, after consultation with the other) that the foreign bank has failed--
``(I) to comply with a summons or subpoena issued under subparagraph (A); or
``(II) to initiate proceedings in a United States court contesting such summons or subpoena.

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``(ii) Limitation on liability.--A covered financial institution shall not be liable to any person in any court or arbitration proceeding for terminating a correspondent relationship in accordance with this subsection.
``(iii) Failure to terminate relationship.--Failure to terminate a correspondent relationship in accordance with this subsection shall render the covered financial institution liable for a civil penalty of up to $10,000 per day until the correspondent relationship is so terminated.
``(c) Grace Period.--Financial institutions shall have 60 days from the date of enactment of this Act to comply with the provisions of section 5318(k) of title 31, United States Code, as added by this section.

(d) Authority To Order Convicted Criminal To Return Property Located Abroad.--

        (1) Forfeiture of substitute property.--Section 413(p) of the Controlled Substances Act (21 U.S.C. 853) is amended to read as follows:

        ``(p) Forfeiture of Substitute Property.--
In general.--Paragraph (2) of this subsection shall apply, if any property described in subsection (a), as a result of any act or omission of the defendant--

(A) cannot be located upon the exercise of due diligence;

(B) has been transferred or sold to, or deposited with, a third party;

(C) has been placed beyond the jurisdiction of the court;

(D) has been substantially diminished in value; or

(E) has been commingled with other property which cannot be divided without difficulty.

Substitute property.--In any case described in any of subparagraphs (A) through (E) of paragraph (1), the court shall order the forfeiture of any other property of the defendant, up to the value of any property described in subparagraphs (A) through (E) of paragraph (1), as applicable.

Return of property to jurisdiction.--In the case of property described in paragraph (1)(C), the court may, in addition to any other action authorized by this subsection, order the defendant to return the property to the jurisdiction of the court so that the property may be seized and forfeited.

Protective orders.--Section 413(e) of the Controlled Substances Act (21 U.S.C. 853(e)) is amended by adding at the end the following:

(A) In general.--Pursuant to its authority to enter a pretrial restraining order under this section, the court may order a defendant to repatriate any property that may be seized and forfeited, and to deposit that property pending trial in the registry of the court, or with the United States Marshals Service or the Secretary of the Treasury, in an interest-bearing account, if appropriate.

(B) Failure to comply.--Failure to comply with an order under this subsection, or an order to repatriate property under subsection (p), shall be punishable as a civil or criminal contempt of court, and may also result in an enhancement of the sentence of the defendant under the obstruction of justice provision of the Federal Sentencing Guidelines.

SEC. 320. PROCEEDS OF FOREIGN CRIMES.

Section 981(a)(1)(B) of title 18, United States Code, is amended to read as follows:

(B) Any property, real or personal, within the jurisdiction of the United States, constituting, derived from, or traceable to, any proceeds obtained directly or indirectly from an offense against a foreign nation, or any property used to facilitate such an offense, if the offense--

(i) involves the manufacture, importation, sale, or distribution of a controlled substance (as that term is defined for purposes of the Controlled Substances Act), or any other conduct described in section
1956(c)(7)(B);

``(ii) would be punishable within the jurisdiction
of the foreign nation by death or imprisonment for a
term exceeding 1 year; and
``(iii) would be punishable under the laws of the
United States by imprisonment for a term exceeding 1
year, if the act or activity constituting the offense
had occurred within the jurisdiction of the United
States.''.

SEC. 321. FINANCIAL INSTITUTIONS SPECIFIED IN SUBCHAPTER II OF CHAPTER 53 OF TITLE 31, UNITED STATES CODE.

(a) Credit Unions.--Subparagraph (E) of section 5312(2) of title 31, United States Code, is amended to read as follows:
``(E) any credit union;''.

(b) Futures Commission Merchant; Commodity Trading Advisor; Commodity Pool Operator.--Section 5312 of title 31, United States Code, is amended by adding at the end the following new subsection:
``(c) Additional Definitions.--For purposes of this subchapter, the following definitions shall apply:
``(1) Certain institutions included in definition.--The term `financial institution' (as defined in subsection (a)) includes the following:
``(A) Any futures commission merchant, commodity trading advisor, or commodity pool operator registered, or required to register, under the Commodity Exchange Act.''.

(c) CFTC <<NOTE: 31 USC 5318 note.>> Included.--For purposes of this Act and any amendment made by this Act to any other provision of law, the term `Federal functional regulator' includes the Commodity Futures Trading Commission.

SEC. 322. CORPORATION REPRESENTED BY A FUGITIVE.

Section 2466 of title 18, United States Code, is amended by designating the present matter as subsection (a), and adding at the end the following:
``(b) Subsection (a) may be applied to a claim filed by a corporation if any majority shareholder, or individual filing the claim on behalf of the corporation is a person to whom subsection (a) applies.''.

SEC. 323. ENFORCEMENT OF FOREIGN JUDGMENTS.

Section 2467 of title 28, United States Code, is amended--

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(1) in subsection (d), by adding the following after paragraph (2):
``(3) Preservation of property.--
``(A) In general.--To preserve the availability of property subject to a foreign forfeiture or confiscation judgment, the Government may apply for, and the court may issue, a restraining order pursuant to section 983(j) of title 18, at any time before or after an application is filed pursuant to subsection (c)(1) of
this section.

``(B) Evidence.--The court, in issuing a restraining
order under subparagraph (A)--
``(i) may rely on information set forth in an
affidavit describing the nature of the proceeding
or investigation underway in the foreign country,
and setting forth a reasonable basis to believe
that the property to be restrained will be named
in a judgment of forfeiture at the conclusion of
such proceeding; or
``(ii) may register and enforce a restraining
order that has been issued by a court of competent
jurisdiction in the foreign country and certified
by the Attorney General pursuant to subsection
(b)(2).
``(C) Limit on grounds for objection.--No person may
object to a restraining order under subparagraph (A) on
any ground that is the subject of parallel litigation
involving the same property that is pending in a foreign
court.''

(2) in subsection (b)(1)(C), by striking ``establishing that
the defendant received notice of the proceedings in sufficient
time to enable the defendant'' and inserting ``establishing that
the foreign nation took steps, in accordance with the principles
of due process, to give notice of the proceedings to all persons
with an interest in the property in sufficient time to enable
such persons'';

(3) in subsection (d)(1)(D), by striking ``the defendant in
the proceedings in the foreign court did not receive notice''
and inserting ``the foreign nation did not take steps, in
accordance with the principles of due process, to give notice of
the proceedings to a person with an interest in the property''; and

(4) in subsection (a)(2)(A), by inserting ``any violation
of foreign law that would constitute a violation or an offense
for which property could be forfeited under Federal law if the
offense were committed in the United States'' after ``United
Nations Convention''.

SEC. 324. <<NOTE: 31 USC 5311 note.>> REPORT AND RECOMMENDATION.

Not <<NOTE: Deadline.>> later than 30 months after the date of
enactment of this Act, the Secretary, in consultation with the Attorney
General, the Federal banking agencies (as defined at section 3 of the
Federal Deposit Insurance Act), the National Credit Union Administration
Board, the Securities and Exchange Commission, and such other agencies
as the Secretary may determine, at the discretion of the Secretary,
shall evaluate the operations of the provisions of this subtitle and
make recommendations to Congress as to any legislative action with
respect to this subtitle as the Secretary may determine to be necessary
or advisable.

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SEC. 325. CONCENTRATION ACCOUNTS AT FINANCIAL INSTITUTIONS.

Section 5318(h) of title 31, United States Code, as amended by
section 202 of this title, is amended by adding at the end the
following:

``(3) Concentration accounts.--The Secretary may prescribe
regulations under this subsection that govern maintenance of concentration accounts by financial institutions, in order to ensure that such accounts are not used to prevent association of the identity of an individual customer with the movement of funds of which the customer is the direct or beneficial owner, which regulations shall, at a minimum--

``(A) prohibit financial institutions from allowing clients to direct transactions that move their funds into, out of, or through the concentration accounts of the financial institution;

``(B) prohibit financial institutions and their employees from informing customers of the existence of, or the means of identifying, the concentration accounts of the institution; and

``(C) require each financial institution to establish written procedures governing the documentation of all transactions involving a concentration account, which procedures shall ensure that, any time a transaction involving a concentration account commingles funds belonging to 1 or more customers, the identity of, and specific amount belonging to, each customer is documented.''

SEC. 326. VERIFICATION OF IDENTIFICATION.

(a) In General.--Section 5318 of title 31, United States Code, as amended by this title, is amended by adding at the end the following:

``(l) Identification and Verification of Accountholders.--

``(1) In general.--Subject <<NOTE: Regulations.>> to the requirements of this subsection, the Secretary of the Treasury shall prescribe regulations setting forth the minimum standards for financial institutions and their customers regarding the identity of the customer that shall apply in connection with the opening of an account at a financial institution.

``(2) Minimum requirements.--The regulations shall, at a minimum, require financial institutions to implement, and customers (after being given adequate notice) to comply with, reasonable procedures for--

``(A) verifying the identity of any person seeking to open an account to the extent reasonable and practicable;

``(B) maintaining records of the information used to verify a person's identity, including name, address, and other identifying information; and

``(C) consulting lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency to determine whether a person seeking to open an account appears on any such list.

``(3) Factors to be considered.--In prescribing regulations under this subsection, the Secretary shall take into consideration the various types of accounts maintained by various types of financial institutions, the various methods of opening

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accounts, and the various types of identifying information available.

``(4) Certain financial institutions.--In the case of any
financial institution the business of which is engaging in financial activities described in section 4(k) of the Bank Holding Company Act of 1956 (including financial activities subject to the jurisdiction of the Commodity Futures Trading Commission), the regulations prescribed by the Secretary under paragraph (1) shall be prescribed jointly with each Federal functional regulator (as defined in section 509 of the Gramm-Leach-Bliley Act, including the Commodity Futures Trading Commission) appropriate for such financial institution.

``(5) Exemptions.--The Secretary (and, in the case of any financial institution described in paragraph (4), any Federal agency described in such paragraph) may, by regulation or order, exempt any financial institution or type of account from the requirements of any regulation prescribed under this subsection in accordance with such standards and procedures as the Secretary may prescribe.
``(6) Effective date.--Final regulations prescribed under this subsection shall take effect before the end of the 1-year period beginning on the date of enactment of the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001.''

(b) Study <<NOTE: Deadline.>> and Report Required.--Within 6 months after the date of enactment of this Act, the Secretary, in consultation with the Federal functional regulators (as defined in section 509 of the Gramm-Leach-Bliley Act) and other appropriate Government agencies, shall submit a report to the Congress containing recommendations for--

(1) determining the most timely and effective way to require foreign nationals to provide domestic financial institutions and agencies with appropriate and accurate information, comparable to that which is required of United States nationals, concerning the identity, address, and other related information about such foreign nationals necessary to enable such institutions and agencies to comply with the requirements of this section;

(2) requiring foreign nationals to apply for and obtain, before opening an account with a domestic financial institution, an identification number which would function similarly to a Social Security number or tax identification number; and

(3) establishing a system for domestic financial institutions and agencies to review information maintained by relevant Government agencies for purposes of verifying the identities of foreign nationals seeking to open accounts at those institutions and agencies.

SEC. 327. CONSIDERATION OF ANTI-MONEY LAUNDERING RECORD.

(a) Bank Holding Company Act of 1956.--

(1) In general.--Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended by adding at the end the following new paragraph:
``(6) Money laundering.--In every case, the Board shall take into consideration the effectiveness of the company or companies in combatting money laundering activities, including in overseas branches.''

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(2) Scope <<NOTE: 12 USC 1842 note.>> of application.--The amendment made by paragraph (1) shall apply with respect to any application submitted to the Board of Governors of the Federal Reserve System under
(b) Mergers Subject to Review Under Federal Deposit Insurance Act.--
(1) In general.--Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended--
(A) by redesignating paragraph (11) as paragraph (12); and
(B) by inserting after paragraph (10), the following new paragraph:
``(11) Money laundering.—In every case, the responsible agency, shall take into consideration the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities, including in overseas branches.''.
(2) Scope <<NOTE: 12 USC 1828 note.>> of application.--The amendment made by paragraph (1) shall apply with respect to any application submitted to the responsible agency under section 18(c) of the Federal Deposit Insurance Act after December 31, 2001, which has not been approved by all appropriate responsible agencies before the date of enactment of this Act.

SEC. 328. <<NOTE: 31 USC 5311 note.>> INTERNATIONAL COOPERATION ON IDENTIFICATION OF ORIGINATORS OF WIRE TRANSFERS.

The Secretary shall--
(1) in consultation with the Attorney General and the Secretary of State, take all reasonable steps to encourage foreign governments to require the inclusion of the name of the originator in wire transfer instructions sent to the United States and other countries, with the information to remain with the transfer from its origination until the point of disbursement; and
(2) report annually to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on--
(A) progress toward the goal enumerated in paragraph (1), as well as impediments to implementation and an estimated compliance rate; and
(B) impediments to instituting a regime in which all appropriate identification, as defined by the Secretary, about wire transfer recipients shall be included with wire transfers from their point of origination until disbursement.

SEC. 329. <<NOTE: 31 USC 5311 note.>> CRIMINAL PENALTIES.

Any person who is an official or employee of any department, agency, bureau, office, commission, or other entity of the Federal Government, and any other person who is acting for or on behalf of any such entity, who, directly or indirectly, in connection with the administration of this title, corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally or for any other person or entity in return for--
(1) being influenced in the performance of any official act;

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(2) being influenced to commit or aid in the committing, or
to collude in, or allow, any fraud, or make opportunity for the
commission of any fraud, on the United States; or

(3) being induced to do or omit to do any act in violation
of the official duty of such official or person,

shall be fined in an amount not more than 3 times the monetary
equivalent of the thing of value, or imprisoned for not more than 15
years, or both. A violation of this section shall be subject to chapter
227 of title 18, United States Code, and the provisions of the United
States Sentencing Guidelines.

SEC. 330. INTERNATIONAL COOPERATION IN INVESTIGATIONS OF MONEY
LAUNDERING, FINANCIAL CRIMES, AND THE FINANCES OF TERRORIST
GROUPS.

(a) Negotiations.--It is the sense of the Congress that the President
should direct the Secretary of State, the Attorney General, or the
Secretary of the Treasury, as appropriate, and in consultation with the
Board of Governors of the Federal Reserve System, to seek to enter into
negotiations with the appropriate financial supervisory agencies and
other officials of any foreign country the financial institutions of
which do business with United States financial institutions or which may
be utilized by any foreign terrorist organization (as designated under
section 219 of the Immigration and Nationality Act), any person who is a
member or representative of any such organization, or any person engaged
in money laundering or financial or other crimes.

(b) Purposes of Negotiations.--It is the sense of the Congress that,
in carrying out any negotiations described in paragraph (1), the
President should direct the Secretary of State, the Attorney General, or
the Secretary of the Treasury, as appropriate, to seek to enter into and
further cooperative efforts, voluntary information exchanges, the use of
letters rogatory, mutual legal assistance treaties, and international
agreements to--

(1) ensure that foreign banks and other financial
institutions maintain adequate records of transaction and
account information relating to any foreign terrorist
organization (as designated under section 219 of the Immigration
and Nationality Act), any person who is a member or
representative of any such organization, or any person engaged
in money laundering or financial or other crimes; and

(2) establish a mechanism whereby such records may be made
available to United States law enforcement officials and
domestic financial institution supervisors, when appropriate.

Subtitle B--Bank Secrecy Act Amendments and Related Improvements

SEC. 351. AMENDMENTS RELATING TO REPORTING OF SUSPICIOUS ACTIVITIES.

(a) Amendment Relating to Civil Liability Immunity for
Disclosures.--Section 5318(g)(3) of title 31, United States Code, is
amended to read as follows:
``
``(3) Liability for disclosures.--
``(A) In general.--Any financial institution that
makes a voluntary disclosure of any possible violation
of law or regulation to a government agency or makes a
disclosure

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pursuant to this subsection or any other authority, and
any director, officer, employee, or agent of such institution who makes, or requires another to make any such disclosure, shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure or any other person identified in the disclosure.

``(B) Rule of construction.--Subparagraph (A) shall not be construed as creating--

``(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so as to include any government or agency of government; or
``(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.''

(b) Prohibition on Notification of Disclosures.--Section 5318(g)(2) of title 31, United States Code, is amended to read as follows:

``(2) Notification prohibited.--
``(A) In general.--If a financial institution or any director, officer, employee, or agent of any financial institution, voluntarily or pursuant to this section or any other authority, reports a suspicious transaction to a government agency--
``(i) the financial institution, director, officer, employee, or agent may not notify any person involved in the transaction that the transaction has been reported; and
``(ii) no officer or employee of the Federal Government or of any State, local, tribal, or territorial government within the United States, who has any knowledge that such report was made may disclose to any person involved in the transaction that the transaction has been reported, other than as necessary to fulfill the official duties of such officer or employee.
``(B) Disclosures in certain employment references.--
``(i) Rule of construction.--Notwithstanding the application of subparagraph (A) in any other context, subparagraph (A) shall not be construed as prohibiting any financial institution, or any director, officer, employee, or agent of such institution, from including information that was included in a report to which subparagraph (A) applies--
``(I) in a written employment reference that is provided in accordance with section 18(w) of the Federal Deposit Insurance Act in response to a request from another financial institution; or
``(II) in a written termination
notice or employment reference that is
provided in accordance with

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the rules of a self-regulatory
organization registered with the
Securities and Exchange Commission or
the Commodity Futures Trading
Commission,

except that such written reference or notice may
not disclose that such information was also
included in any such report, or that such report
was made.

``(ii) Information not required.--Clause (i)
shall not be construed, by itself, to create any
affirmative duty to include any information
described in clause (i) in any employment
reference or termination notice referred to in
clause (i).''.

SEC. 352. ANTI-MONEY LAUNDERING PROGRAMS.

(a) In General.--Section 5318(h) of title 31, United States Code, is
amended to read as follows:

``(h) Anti-money Laundering Programs.--
``(1) In general.--In order to guard against money
laundering through financial institutions, each financial
institution shall establish anti-money laundering programs,
including, at a minimum--
``(A) the development of internal policies,
procedures, and controls;
``(B) the designation of a compliance officer;
``(C) an ongoing employee training program; and
``(D) an independent audit function to test
programs.
``(2) Regulations.--The Secretary of the Treasury, after
consultation with the appropriate Federal functional regulator
(as defined in section 509 of the Gramm-Leach-Bliley Act), may
prescribe minimum standards for programs established under
paragraph (1), and may exempt from the application of those
standards any financial institution that is not subject to the
provisions of the rules contained in part 103 of title 31, of
the Code of Federal Regulations, or any successor rule thereto,
for so long as such financial institution is not subject to the
provisions of such rules.''.

(b) Effective <>NOTE: 31 USC 5318 note.>> Date.--The amendment made
by subsection (a) shall take effect at the end of the 180-day period
beginning on the date of enactment of this Act.

(c) Date <>NOTE: 31 USC 5318 note.>> of Application of Regulations;
Factors to Be Taken Into Account.--Before the end of the 180-day period
beginning on the date of enactment of this Act, the Secretary shall
prescribe regulations that consider the extent to which the requirements
imposed under this section are commensurate with the size, location, and
activities of the financial institutions to which such regulations
apply.
SEC. 353. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TARGETING ORDERS AND CERTAIN RECORDKEEPING REQUIREMENTS, AND LENGTHENING EFFECTIVE PERIOD OF GEOGRAPHIC TARGETING ORDERS.

(a) Civil Penalty for Violation of Targeting Order.--Section 5321(a)(1) of title 31, United States Code, is amended--

(1) by inserting `or order issued'' after `subchapter or a regulation prescribed''; and
(2) by inserting `', or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91-508,''

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or section 123 of Public Law 91-508,''

after `sections 5314 and 5315'''.

(b) Criminal Penalties for Violation of Targeting Order.--Section 5322 of title 31, United States Code, is amended--

(1) in subsection (a)--
(A) by inserting `or order issued'' after `willfully violating this subchapter or a regulation prescribed''; and
(B) by inserting `', or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91-508,''

after `under section 5315 or 5324'''; and

(2) in subsection (b)--
(A) by inserting `or order issued'' after `willfully violating this subchapter or a regulation prescribed''; and
(B) by inserting `or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91-508,''

after `under section 5315 or 5324)''.

(c) Structuring Transactions To Evade Targeting Order or Certain Recordkeeping Requirements.--Section 5324(a) of title 31, United States Code, is amended--

(1) by inserting a comma after `shall'';
(2) by striking `section--'' and inserting `section, the reporting or recordkeeping requirements imposed by any order issued under section 5326, or the recordkeeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91-508--'';

(3) in paragraph (1), by inserting `', to file a report or to maintain a record required by an order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91-508'' after `regulation prescribed under any such section''; and

(4) in paragraph (2), by inserting `', to file a report or to maintain a record required by any order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91-508,''

after `regulation prescribed under any such section''.

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(d) Lengthening Effective Period of Geographic Targeting Orders.--
Section 5326(d) of title 31, United States Code, is amended by striking
``more than 60'' and inserting ``more than 180''.

SEC. 354. ANTI-MONEY LAUNDERING STRATEGY.

Section 5341(b) of title 31, United States Code, is amended by
adding at the end the following:
``(12) Data regarding funding of terrorism.--Data concerning
money laundering efforts related to the funding of acts of
international terrorism, and efforts directed at the prevention,
detection, and prosecution of such funding.''.

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SEC. 355. AUTHORIZATION TO INCLUDE SUSPICIONS OF ILLEGAL ACTIVITY IN
WRITTEN EMPLOYMENT REFERENCES.

Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is
amended by adding at the end the following:
``(w) Written Employment References May Contain Suspicions of
Involvement in Illegal Activity.--
``(1) Authority to disclose information.--Notwithstanding
any other provision of law, any insured depository institution,
and any director, officer, employee, or agent of such
institution, may disclose in any written employment reference
relating to a current or former institution-affiliated party of
such institution which is provided to another insured depository
institution in response to a request from such other
institution, information concerning the possible involvement of
such institution-affiliated party in potentially unlawful
activity.
``(2) Information not required.--Nothing in paragraph (1)
shall be construed, by itself, to create any affirmative duty to
include any information described in paragraph (1) in any
employment reference referred to in paragraph (1).
``(3) Malicious intent.--Notwithstanding any other provision
of this subsection, voluntary disclosure made by an insured
depository institution, and any director, officer, employee, or
agent of such institution under this subsection concerning
potentially unlawful activity that is made with malicious
intent, shall not be shielded from liability from the person
identified in the disclosure.
``(4) Definition.--For purposes of this subsection, the term
'insured depository institution' includes any uninsured branch
or agency of a foreign bank.''.

SEC. 356. REPORTING OF SUSPICIOUS ACTIVITIES BY SECURITIES BROKERS AND
DEALERS; INVESTMENT COMPANY STUDY.

(a) Deadline <<NOTE: 31 USC 5318 note.>> for Suspicious Activity
Reporting Requirements for Registered Brokers
and <<NOTE: Regulations.3Federal Register, publication.>> Dealers.--The
Secretary, after consultation with the Securities and Exchange
Commission and the Board of Governors of the Federal Reserve System,
shall publish proposed regulations in the Federal Register before
January 1, 2002, requiring brokers and dealers registered with the
Securities and Exchange Commission under the Securities Exchange Act of
1934 to submit suspicious activity reports under section 5318(g) of
title 31, United States Code. Such regulations shall be published in

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:...  2/8/03
(b) Suspicious Activity Reporting Requirements For Futures Commission Merchants, Commodity Trading Advisors, and Commodity Pool Operators.--The Secretary, in consultation with the Commodity Futures Trading Commission, may prescribe regulations requiring futures commission merchants, commodity trading advisors, and commodity pool operators registered under the Commodity Exchange Act to submit suspicious activity reports under section 5318(g) of title 31, United States Code.

(c) Report on Investment Companies.--

(1) In general.--Not later than 1 year after the date of enactment of this Act, the Secretary, the Board of Governors of the Federal Reserve System, and the Securities and Exchange Commission shall jointly submit a report to the Congress on recommendations for effective regulations to apply the requirements of subchapter II of chapter 53 of title 31, United States Code.

(2) Definition.--For purposes of this subsection, the term `investment company'--

(A) has the same meaning as in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3); and

(B) includes any person that, but for the exceptions provided for in paragraph (1) or (7) of section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)), would be an investment company.

(3) Additional recommendations.--The report required by paragraph (1) may make different recommendations for different types of entities covered by this subsection.

(4) Beneficial ownership of personal holding companies.--The report described in paragraph (1) shall also include recommendations as to whether the Secretary should promulgate regulations to treat any corporation or business or other grantor trust whose assets are predominantly securities, bank certificates of deposit, or other securities or investment instruments (other than such as relate to operating subsidiaries of such corporation or trust) and that has 5 or fewer common shareholders or holders of beneficial or other equity interest, as a financial institution within the meaning of that phrase in section 5312(a)(2)(I) and whether to require such corporations or trusts to disclose their beneficial owners when opening accounts or initiating funds transfers at any domestic financial institution.

SEC. 357. SPECIAL REPORT ON ADMINISTRATION OF BANK SECRECY PROVISIONS.

(a) Report Required.--Not later than 6 months after the date of enactment of this Act, the Secretary shall submit a report to the Congress relating to the role of the Internal Revenue Service in the administration of subchapter II of chapter 53 of title 31, United States Code (commonly known as the `Bank Secrecy Act').

(b) Contents.--The report required by subsection (a)--

(1) shall specifically address, and contain recommendations
concerning—

(A) whether it is advisable to shift the processing of information reporting to the Department of the Treasury under the Bank Secrecy Act provisions to facilities other than those managed by the Internal Revenue Service; and

(B) whether it remains reasonable and efficient, in light of the objective of both anti-money-laundering programs and Federal tax administration, for the Internal Revenue Service to retain authority and responsibility for audit and examination of the compliance of money services businesses and gaming institutions with those Bank Secrecy Act provisions; and

(2) shall, if the Secretary determines that the information processing responsibility or the audit and examination responsibility of the Internal Revenue Service, or both, with respect to those Bank Secrecy Act provisions should be transferred to other agencies, include the specific recommendations of the Secretary regarding the agency or agencies to which any such function should be transferred, complete with a budgetary and resources plan for expeditiously accomplishing the transfer.

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SEC. 358. BANK SECURITY PROVISIONS AND ACTIVITIES OF UNITED STATES INTELLIGENCE AGENCIES TO FIGHT INTERNATIONAL TERRORISM.

(a) Amendment Relating to the Purposes of Chapter 53 of Title 31, United States Code.—Section 5311 of title 31, United States Code, is amended by inserting before the period at the end the following: `'`, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism'''.

(b) Amendment Relating to Reporting of Suspicious Activities.—Section 5318(g)(4)(B) of title 31, United States Code, is amended by striking ``, or supervisory agency'' and inserting ``, supervisory agency, or United States intelligence agency for use in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism''.

(c) Amendment Relating to Availability of Reports.—Section 5319 of title 31, United States Code, is amended to read as follows:

``Sec. 5319. Availability of reports

``, The Secretary of the Treasury shall make information in a report filed under this subchapter available to an agency, including any State financial institutions supervisory agency, United States intelligence agency or self-regulatory organization registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission, upon request of the head of the agency or organization. The report shall be available for a purpose that is consistent with this subchapter. The Secretary may only require reports on the use of such information by any State financial institutions supervisory agency for other than supervisory purposes or by United States intelligence agencies. However, a report and records of reports are exempt from disclosure under section 552 of title 5.''.

(d) Amendment Relating to the Purposes of the Bank Secrecy Act Provisions.—Section 21(a) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(a)) is amended to read as follows:

``, (a) Congressional Findings and Declaration of Purpose.—

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:... 2/8/03
(1) Findings.--Congress finds that--
   "(A) adequate records maintained by insured depository institutions have a high degree of usefulness in criminal, tax, and regulatory investigations or proceedings, and that, given the threat posed to the security of the Nation on and after the terrorist attacks against the United States on September 11, 2001, such records may also have a high degree of usefulness in the conduct of intelligence or counterintelligence activities, including analysis, to protect against domestic and international terrorism; and
   "(B) microfilm or other reproductions and other records made by insured depository institutions of checks, as well as records kept by such institutions, of the identity of persons maintaining or authorized to act with respect to accounts therein, have been of particular value in proceedings described in subparagraph (A).
   "(2) Purpose.--It is the purpose of this section to require the maintenance of appropriate types of records by insured depository institutions in the United States where such records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, recognizes that, given the threat posed to the security of the Nation on and after the terrorist attacks against the United States on September 11, 2001, such records may also have a high degree of usefulness in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.''.

(e) Amendment Relating to the Purposes of the Bank Secrecy Act.--Section 123(a) of Public Law 91-508 (12 U.S.C. 1953(a)) is amended to read as follows:
   "(a) Regulations.--If the Secretary determines that the maintenance of appropriate records and procedures by any uninsured bank or uninsured institution, or any person engaging in the business of carrying on in the United States any of the functions referred to in subsection (b), has a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, and that, given the threat posed to the security of the Nation on and after the terrorist attacks against the United States on September 11, 2001, such records may also have a high degree of usefulness in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism, he may by regulation require such bank, institution, or person.''.

(f) Amendments to the Right to Financial Privacy Act.--The Right to Financial Privacy Act of 1978 is amended--
   (1) in section 1112(a) (12 U.S.C. 3412(a)), by inserting "", or intelligence or counterintelligence activity, investigation or analysis related to international terrorism' after "'legitimate law enforcement inquiry'";
   (2) in section 1114(a)(1) (12 U.S.C. 3414(a)(1))--
      (A) in subparagraph (A), by striking "'or'" at the end;
      (B) in subparagraph (B), by striking the period at the end and inserting "' or'; and
      (C) by adding at the end the following: "'(C) a Government authority authorized to conduct
investigations of, or intelligence or counterintelligence analyses related to, international terrorism for the purpose of conducting such investigations or analyses.''; and

(3) in section 1120(a)(2) (12 U.S.C. 3420(a)(2)), by inserting `', or for a purpose authorized by section 1112(a)' before the semicolon at the end.

(g) Amendment to the Fair Credit Reporting Act.--

(1) In general.--The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended--
(A) by redesignating the second of the 2 sections designated as section 624 (15 U.S.C. 1681u) (relating to disclosure to FBI for counterintelligence purposes) as section 625; and
(B) by adding at the end the following new section:

``Sec. 626. <<NOTE: 15 USC 1681v.>> Disclosures to governmental agencies for counterterrorism purposes

``(a) Disclosure.--Notwithstanding section 604 or any other provision of this title, a consumer reporting agency shall furnish a consumer report of a consumer and all other information in a consumer's file to a government agency authorized to conduct investigations of, or intelligence or counterintelligence activities or analysis related to, international terrorism when presented with

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a written certification by such government agency that such information is necessary for the agency's conduct or such investigation, activity or analysis.

``(b) Form of Certification.--The certification described in subsection (a) shall be signed by a supervisory official designated by the head of a Federal agency or an officer of a Federal agency whose appointment to office is required to be made by the President, by and with the advice and consent of the Senate.

``(c) Confidentiality.--No consumer reporting agency, or officer, employee, or agent of such consumer reporting agency, shall disclose to any person, or specify in any consumer report, that a government agency has sought or obtained access to information under subsection (a).

``(d) Rule of Construction.--Nothing in section 625 shall be construed to limit the authority of the Director of the Federal Bureau of Investigation under this section.

``(e) Safe Harbor.--Notwithstanding any other provision of this title, any consumer reporting agency or agent or employee thereof making disclosure of consumer reports or other information pursuant to this section in good-faith reliance upon a certification of a governmental agency pursuant to the provisions of this section shall not be liable to any person for such disclosure under this subchapter, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.''.

(2) Clerical amendments.--The table of sections for the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended--
(A) by redesignating the second of the 2 items designated as section 624 as section 625; and
(B) by inserting after the item relating to section 625 (as so redesignated) the following new item:

``626. Disclosures to governmental agencies for counterterrorism
purposes.''.

(h) Application of Amendments.--The amendments made by this section shall apply with respect to reports filed or records maintained on, before, or after the date of enactment of this Act.

SEC. 359. REPORTING OF SUSPICIOUS ACTIVITIES BY UNDERGROUND BANKING SYSTEMS.

(a) Definition for Subchapter.--Section 5312(a)(2)(R) of title 31, United States Code, is amended to read as follows:
``(R) a licensed sender of money or any other person who engages as a business in the transmission of funds, including any person who engages as a business in an informal money transfer system or any network of people who engage as a business in facilitating the transfer of money domestically or internationally outside of the conventional financial institutions system;''.

(b) Money Transmitting Business.--Section 5330(d)(1)(A) of title 31, United States Code, is amended by inserting before the semicolon the following: ``or any other person who engages as a business in the transmission of funds, including any person who engages as a business in an informal money transfer system or any network of people who engage as a business in facilitating the transfer of money domestically or internationally outside of the conventional financial institutions system;''.

(c) Applicability of Rules.--Section 5318 of title 31, United States Code, as amended by this title, is amended by adding at the end the following:
``(l) Applicability of Rules.--Any rules promulgated pursuant to the authority contained in section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b) shall apply, in addition to any other financial institution to which such rules apply, to any person that engages as a business in the transmission of funds, including any person who engages as a business in an informal money transfer system or any network of people who engage as a business in facilitating the transfer of money domestically or internationally outside of the conventional financial institutions system.''.

(d) Report.--Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury shall report to Congress on the need for any additional legislation relating to persons who engage as a business in an informal money transfer system or any network of people who engage as a business in facilitating the transfer of money domestically or internationally outside of the conventional financial institutions system, counter money laundering and regulatory controls relating to underground money movement and banking systems, including whether the threshold for the filing of suspicious activity reports under section 5318(g) of title 31, United States Code should be lowered in the case of such systems.

SEC. 360. USE OF AUTHORITY OF UNITED STATES EXECUTIVE DIRECTORS.

(a) Action by the President.--If the President determines that a particular foreign country has taken or has committed to take actions
that contribute to efforts of the United States to respond to, deter, or prevent acts of international terrorism, the Secretary may, consistent with other applicable provisions of law, instruct the United States Executive Director of each international financial institution to use the voice and vote of the Executive Director to support any loan or other utilization of the funds of respective institutions for such country, or any public or private entity within such country.

(b) Use of Voice and Vote.--The Secretary may instruct the United States Executive Director of each international financial institution to aggressively use the voice and vote of the Executive Director to require an auditing of disbursements at such institutions to ensure that no funds are paid to persons who commit, threaten to commit, or support terrorism.

(c) Definition.--For purposes of this section, the term "international financial institution" means an institution described in section 1701(c)(2) of the International Financial Institutions Act (22 U.S.C. 262r(c)(2)).

SEC. 361. FINANCIAL CRIMES ENFORCEMENT NETWORK.

(a) In General.--Subchapter I of chapter 3 of title 31, United States Code, is amended--
(1) by redesignating section 310 as section 311; and
(2) by inserting after section 309 the following new section:

Sec. 310. Financial Crimes Enforcement Network

(a) In General.--The Financial Crimes Enforcement Network established by order of the Secretary of the Treasury (Treasury Order Numbered 105-08, in this section referred to as 'FinCEN') on April 25, 1990, shall be a bureau in the Department of the Treasury.

(b) Director.--

Sec. 310. Financial Crimes Enforcement Network

(a) In General.--The Financial Crimes Enforcement Network established by order of the Secretary of the Treasury (Treasury Order Numbered 105-08, in this section referred to as 'FinCEN') on April 25, 1990, shall be a bureau in the Department of the Treasury.

(1) Appointment.--The head of FinCEN shall be the Director, who shall be appointed by the Secretary of the Treasury.

(2) Duties and powers.--The duties and powers of the Director are as follows:

(A) Advise and make recommendations on matters relating to financial intelligence, financial criminal activities, and other financial activities to the Under Secretary of the Treasury for Enforcement.

(B) Maintain a government-wide data access service, with access, in accordance with applicable legal requirements, to the following:

(i) Information collected by the Department of the Treasury, including report information filed under subchapter II of chapter 53 of this title (such as reports on cash transactions, foreign financial agency transactions and relationships, foreign currency transactions, exporting and importing monetary instruments, and suspicious activities), chapter 2 of title I of Public Law 91-508, and section 21 of the Federal Deposit Insurance Act.

(ii) Information regarding national and international currency flows.
"(iii) Other records and data maintained by
other Federal, State, local, and foreign agencies,
including financial and other records developed in
specific cases.

"(iv) Other privately and publicly available
information.

"(C) Analyze and disseminate the available data in
accordance with applicable legal requirements and
policies and guidelines established by the Secretary of
the Treasury and the Under Secretary of the Treasury for
Enforcement to--

"(i) identify possible criminal activity to
appropriate Federal, State, local, and foreign law
enforcement agencies;

"(ii) support ongoing criminal financial
investigations and prosecutions and related
proceedings, including civil and criminal tax and
forfeiture proceedings;

"(iii) identify possible instances of
noncompliance with subchapter II of chapter 53 of
this title, chapter 2 of title I of Public Law 91-
508, and section 21 of the Federal Deposit
Insurance Act to Federal agencies with statutory
responsibility for enforcing compliance with such
provisions and other appropriate Federal
regulatory agencies;

"(iv) evaluate and recommend possible uses of
special currency reporting requirements under
section 5326;

"(v) determine emerging trends and methods in
money laundering and other financial crimes;

"(vi) support the conduct of intelligence or
counterintelligence activities, including
analysis, to protect against international
terrorism; and

"(vii) support government initiatives against
money laundering.

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"(D) Establish and maintain a financial crimes
communications center to furnish law enforcement
authorities with intelligence information related to
emerging or ongoing investigations and undercover
operations.

"(E) Furnish research, analytical, and
informational services to financial institutions, and
appropriate Federal regulatory agencies with regard to
financial institutions, and appropriate Federal, State,
local, and foreign law enforcement authorities, in
accordance with policies and guidelines established by
the Secretary of the Treasury or the Under Secretary of
the Treasury for Enforcement, in the interest of
detection, prevention, and prosecution of terrorism,
organized crime, money laundering, and other financial
crimes.

"(F) Assist Federal, State, local, and foreign law
enforcement and regulatory authorities in combatting the
use of informal, nonbank networks and payment and barter
system mechanisms that permit the transfer of funds or

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the equivalent of funds without records and without compliance with criminal and tax laws.

``(G) Provide computer and data support and data analysis to the Secretary of the Treasury for tracking and controlling foreign assets.
``(H) Coordinate with financial intelligence units in other countries on anti-terrorism and anti-money laundering initiatives, and similar efforts.
``(I) Administer the requirements of subchapter II of chapter 53 of this title, chapter 2 of title I of Public Law 91-508, and section 21 of the Federal Deposit Insurance Act, to the extent delegated such authority by the Secretary of the Treasury.
``(J) Such other duties and powers as the Secretary of the Treasury may delegate or prescribe.

``(c) Requirements Relating to Maintenance and Use of Data Banks.--The Secretary of the Treasury shall establish and maintain operating procedures with respect to the government-wide data access service and the financial crimes communications center maintained by FinCEN which provide--

``(1) for the coordinated and efficient transmittal of information to, entry of information into, and withdrawal of information from, the data maintenance system maintained by the Network, including--
``(A) the submission of reports through the Internet or other secure network, whenever possible;
``(B) the cataloguing of information in a manner that facilitates rapid retrieval by law enforcement personnel of meaningful data; and
``(C) a procedure that provides for a prompt initial review of suspicious activity reports and other reports, or such other means as the Secretary may provide, to identify information that warrants immediate action; and
``(2) in accordance with section 552a of title 5 and the Right to Financial Privacy Act of 1978, appropriate standards and guidelines for determining--
``(A) who is to be given access to the information maintained by the Network;
``(B) what limits are to be imposed on the use of such information; and
``(C) how information about activities or relationships which involve or are closely associated with the exercise of constitutional rights is to be screened out of the data maintenance system.

``(d) Authorization of Appropriations.--There are authorized to be appropriated for FinCEN such sums as may be necessary for fiscal years 2002, 2003, 2004, and 2005.''.

(b) Compliance <<NOTE: 31 USC 5314 note.>> With Reporting Requirements.--The Secretary of the Treasury shall study methods for improving compliance with the reporting requirements established in section 5314 of title 31, United States Code, and shall submit a report on such study to the Congress by the end of the 6-month period beginning on the date of enactment of this Act and each 1-year period thereafter. The initial report shall include historical data on compliance with such reporting requirements.
(c) Clerical Amendment.—The table of sections for subchapter I of chapter 3 of title 31, United States Code, is amended—
   (1) by redesignating the item relating to section 310 as section 311; and
   (2) by inserting after the item relating to section 309 the following new item:

``310. Financial Crimes Enforcement Network.''.

SEC. 362. <<NOTE: 31 USC 310 note.>> ESTABLISHMENT OF HIGHLY SECURE NETWORK.

(a) In General.—The Secretary shall establish a highly secure network in the Financial Crimes Enforcement Network that—
   (1) allows financial institutions to file reports required under subchapter II or III of chapter 53 of title 31, United States Code, chapter 2 of Public Law 91-508, or section 21 of the Federal Deposit Insurance Act through the secure network; and
   (2) provides financial institutions with alerts and other information regarding suspicious activities that warrant immediate and enhanced scrutiny.

(b) Expedited Development.—The Secretary shall take such action as may be necessary to ensure that the secure network required under subsection (a) is fully operational before the end of the 9-month period beginning on the date of enactment of this Act.

SEC. 363. INCREASE IN CIVIL AND CRIMINAL PENALTIES FOR MONEY LAUNDERING.

(a) Civil Penalties.—Section 5321(a) of title 31, United States Code, is amended by adding at the end the following:

``(7) Penalties for international counter money laundering violations.—The Secretary may impose a civil money penalty in an amount equal to not less than 2 times the amount of the transaction, but not more than $1,000,000, on any financial institution or agency that violates any provision of subsection (i) or (j) of section 5318 or any special measures imposed under section 5318A.''.

(b) Criminal Penalties.—Section 5322 of title 31, United States Code, is amended by adding at the end the following:

``(d) A financial institution or agency that violates any provision of subsection (i) or (j) of section 5318, or any special measures imposed under section 5318A, or any regulation prescribed under subsection (i) or (j) of section 5318 or section 5318A, shall be fined in an amount equal to not less than 2 times the amount of the transaction, but not more than $1,000,000.''.

SEC. 364. UNIFORM PROTECTION AUTHORITY FOR FEDERAL RESERVE FACILITIES.

Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by adding at the end the following:

``(q) Uniform Protection Authority for Federal Reserve Facilities.—''(1) Notwithstanding any other provision of law, to authorize personnel to act as law enforcement officers to
protect and safeguard the premises, grounds, property, personnel, including members of the Board, of the Board, or any Federal reserve bank, and operations conducted by or on behalf of the Board or a reserve bank.

``(2) The Board may, subject to the regulations prescribed under paragraph (5), delegate authority to a Federal reserve bank to authorize personnel to act as law enforcement officers to protect and safeguard the bank's premises, grounds, property, personnel, and operations conducted by or on behalf of the bank.

``(3) Law enforcement officers designated or authorized by the Board or a reserve bank under paragraph (1) or (2) are authorized while on duty to carry firearms and make arrests without warrants for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States committed or being committed within the buildings and grounds of the Board or a reserve bank if they have reasonable grounds to believe that the person to be arrested has committed or is committing such a felony. Such officers shall have access to law enforcement information that may be necessary for the protection of the property or personnel of the Board or a reserve bank.

``(4) For purposes of this subsection, the term 'law enforcement officers' means personnel who have successfully completed law enforcement training and are authorized to carry firearms and make arrests pursuant to this subsection.

``(5) The law enforcement authorities provided for in this subsection may be exercised only pursuant to regulations prescribed by the Board and approved by the Attorney General.''

SEC. 365. REPORTS RELATING TO COINS AND CURRENCY RECEIVED IN NONFINANCIAL TRADE OR BUSINESS.

(a) Reports Required.--Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following new section:

``Sec. 5331. Reports relating to coins and currency received in nonfinancial trade or business

``(a) Coin and Currency Receipts of More Than $10,000.--Any person--
``(1) who is engaged in a trade or business; and
``(2) who, in the course of such trade or business, receives more than $10,000 in coins or currency in 1 transaction (or 2 or more related transactions),

shall file a report described in subsection (b) with respect to such transaction (or related transactions) with the Financial Crimes Enforcement Network at such time and in such manner as the Secretary may, by regulation, prescribe.

``(b) Form and Manner of Reports.--A report is described in this subsection if such report--
``(1) is in such form as the Secretary may prescribe;
``(2) contains--
``(A) the name and address, and such other identification information as the Secretary may require, of the person from whom the coins or currency was received;
(B) the amount of coins or currency received;
(C) the date and nature of the transaction; and
(D) such other information, including the identification of the person filing the report, as the Secretary may prescribe.

(c) Exceptions.--
(1) Amounts received by financial institutions.-- Subsection (a) shall not apply to amounts received in a transaction reported under section 5313 and regulations prescribed under such section.
(2) Transactions occurring outside the United States.-- Except to the extent provided in regulations prescribed by the Secretary, subsection (a) shall not apply to any transaction if the entire transaction occurs outside the United States.

(d) Currency Includes Foreign Currency and Certain Monetary Instruments.--
(1) In general.--For purposes of this section, the term 'currency' includes--
(A) foreign currency; and
(B) to the extent provided in regulations prescribed by the Secretary, any monetary instrument (whether or not in bearer form) with a face amount of not more than $10,000.
(2) Scope of application.--Paragraph (1)(B) shall not apply to any check drawn on the account of the writer in a financial institution referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), (J), (K), (R), or (S) of section 5312(a)(2).

(b) Prohibition on Structuring Transactions.--
(1) In general.--Section 5324 of title 31, United States Code, is amended--
(A) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and
(B) by inserting after subsection (a) the following new subsection:

(b) Domestic Coin and Currency Transactions Involving Nonfinancial Trades or Businesses.--No person shall, for the purpose of evading the report requirements of section 5333 or any regulation prescribed under such section--

(1) cause or attempt to cause a nonfinancial trade or business to fail to file a report required under section 5333 or any regulation prescribed under such section;
(2) cause or attempt to cause a nonfinancial trade or business to file a report required under section 5333 or any regulation prescribed under such section that contains a material omission or misstatement of fact; or

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(3) structure or assist in structuring, or attempt to structure or assist in structuring, any transaction with 1 or more nonfinancial trades or businesses.''

(2) Technical and conforming amendments.--
(A) The heading for subsection (a) of section 5324 of title 31, United States Code, is amended by inserting
``Involving Financial Institutions'' after
Transactions'.

(B) Section 5317(c) of title 31, United States Code, is amended by striking `5324(b)' and inserting `5324(c)'.

(c) Definition of Nonfinancial Trade or Business.--

(1) In general.--Section 5312(a) of title 31, United States Code, is amended--

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

(B) by inserting after paragraph (3) the following new paragraph:

``(4) Nonfinancial trade or business.--The term `nonfinancial trade or business' means any trade or business other than a financial institution that is subject to the reporting requirements of section 5313 and regulations prescribed under such section.''.

(2) Technical and conforming amendments.--

(A) Section 5312(a)(3)(C) of title 31, United States Code, is amended by striking ``section 5316,'', and inserting ``sections 5333 and 5316,''.

(B) Subsections (a) through (f) of section 5318 of title 31, United States Code, and sections 5321, 5326, and 5328 of such title are each amended--

(i) by inserting `or nonfinancial trade or business'' after `financial institution'' each place such term appears; and

(ii) by inserting `or nonfinancial trades or businesses' after `financial institutions' each place such term appears.

(c) Clerical Amendment.--The table of sections for chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5332 (as added by section 112 of this title) the following new item:

``5331. Reports relating to coins and currency received in nonfinancial trade or business.''.

(f) Regulations.--Regulations <<NOTE: Publication. 31 USC 5331 note.>> which the Secretary determines are necessary to implement this section shall be published in final form before the end of the 6-month period beginning on the date of enactment of this Act.

SEC. 366. <<NOTE: 31 USC 5313 note.>> EFFICIENT USE OF CURRENCY TRANSACTION REPORT SYSTEM.

(a) Findings.--The Congress finds the following:

(1) The Congress established the currency transaction reporting requirements in 1970 because the Congress found then that such reports have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings and the usefulness of such reports has only increased in the years since the requirements were established.

(2) In 1994, in response to reports and testimony that excess amounts of currency transaction reports were interfering with effective law enforcement, the Congress reformed the
currency transaction report exemption requirements to provide--
(A) mandatory exemptions for certain reports that
had little usefulness for law enforcement, such as cash
transfers between depository institutions and cash
deposits from government agencies; and
(B) discretionary authority for the Secretary of the
Treasury to provide exemptions, subject to criteria and
guidelines established by the Secretary, for financial
institutions with regard to regular business customers
that maintain accounts at an institution into which
frequent cash deposits are made.
(3) Today there is evidence that some financial institutions
are not utilizing the exemption system, or are filing reports
even if there is an exemption in effect, with the result that
the volume of currency transaction reports is once again
interfering with effective law enforcement.

(b) Study and Report.--
(1) Study required.--The Secretary shall conduct a study
of--
(A) the possible expansion of the statutory
exemption system in effect under section 5313 of title
31, United States Code; and
(B) methods for improving financial institution
utilization of the statutory exemption provisions as a
way of reducing the submission of currency transaction
reports that have little or no value for law enforcement
purposes, including improvements in the systems in
effect at financial institutions for regular review of
the exemption procedures used at the institution and the
training of personnel in its effective use.
(2) Report required.--The Secretary of the Treasury shall
submit a report to the Congress before the end of the 1-year
period beginning on the date of enactment of this Act containing
the findings and conclusions of the Secretary with regard to the
study required under subsection (a), and such recommendations
for legislative or administrative action as the Secretary
determines to be appropriate.

Subtitle C--Currency Crimes and Protection

SEC. 371. BULK CASH SMUGGLING INTO OR OUT OF THE UNITED STATES.

(a) Findings.--The Congress finds the following:
(1) Effective enforcement of the currency reporting
requirements of subchapter II of chapter 53 of title 31, United
States Code, and the regulations prescribed under such
subchapter, has forced drug dealers and other criminals engaged
in cash-based businesses to avoid using traditional financial
institutions.
(2) In their effort to avoid using traditional financial
institutions, drug dealers and other criminals are forced to
move large quantities of currency in bulk form to and through
the airports, border crossings, and other ports of entry where
the currency can be smuggled out of the United States and
placed in a foreign financial institution or sold on the black
market.

(3) The transportation and smuggling of cash in bulk form may now be the most common form of money laundering, and the movement of large sums of cash is one of the most reliable warning signs of drug trafficking, terrorism, money laundering, racketeering, tax evasion and similar crimes.

(4) The intentional transportation into or out of the United States of large amounts of currency or monetary instruments, in a manner designed to circumvent the mandatory reporting provisions of subchapter II of chapter 53 of title 31, United States Code, is the equivalent of, and creates the same harm as, the smuggling of goods.

(5) The arrest and prosecution of bulk cash smugglers are important parts of law enforcement's effort to stop the laundering of criminal proceeds, but the couriers who attempt to smuggle the cash out of the United States are typically low-level employees of large criminal organizations, and thus are easily replaced. Accordingly, only the confiscation of the smuggled bulk cash can effectively break the cycle of criminal activity of which the laundering of the bulk cash is a critical part.

(6) The current penalties for violations of the currency reporting requirements are insufficient to provide a deterrent to the laundering of criminal proceeds. In particular, in cases where the only criminal violation under current law is a reporting offense, the law does not adequately provide for the confiscation of smuggled currency. In contrast, if the smuggling of bulk cash were itself an offense, the cash could be confiscated as the corpus delicti of the smuggling offense.

(b) Purposes.—The <<NOTE: 31 USC 5332 note.>> purposes of this section are—

(1) to make the act of smuggling bulk cash itself a criminal offense;
(2) to authorize forfeiture of any cash or instruments of the smuggling offense; and
(3) to emphasize the seriousness of the act of bulk cash smuggling.

(c) Enactment of Bulk Cash Smuggling Offense.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

``Sec. 5332. Bulk cash smuggling into or out of the United States

``(a) Criminal Offense.—
``(1) In general.—Whoever, with the intent to evade a currency reporting requirement under section 5316, knowingly conceals more than $10,000 in currency or other monetary instruments on the person of such individual or in any conveyance, article of luggage, merchandise, or other container, and transports or transfers or attempts to transport or transfer such currency or monetary instruments from a place within the United States to a place outside of the United States, or from a place outside the United States to a place within the United States, shall be guilty of a currency smuggling offense and subject to punishment pursuant to subsection (b).
``(2) Concealment on person.—For purposes of this section, the concealment of currency on the person of any individual includes concealment in any article of clothing worn
by the individual or in any luggage, backpack, or other container worn or carried by such individual.

``(b) Penalty.--
  `(1) Term of imprisonment.--A person convicted of a currency smuggling offense under subsection (a), or a conspiracy to commit such offense, shall be imprisoned for not more than 5 years.
  `(2) Forfeiture.--In addition, the court, in imposing sentence under paragraph (1), shall order that the defendant forfeit to the United States, any property, real or personal, involved in the offense, and any property traceable to such property, subject to subsection (d) of this section.
  `(3) Procedure.--The seizure, restraint, and forfeiture of property under this section shall be governed by section 413 of the Controlled Substances Act.
  `(4) Personal money judgment.--If the property subject to forfeiture under paragraph (2) is unavailable, and the defendant has insufficient substitute property that may be forfeited pursuant to section 413(p) of the Controlled Substances Act, the court shall enter a personal money judgment against the defendant for the amount that would be subject to forfeiture.
``

``(c) Civil Forfeiture.--
  `(1) In general.--Any property involved in a violation of subsection (a), or a conspiracy to commit such violation, and any property traceable to such violation or conspiracy, may be seized and, subject to subsection (d) of this section, forfeited to the United States.
  `(2) Procedure.--The seizure and forfeiture shall be governed by the procedures governing civil forfeitures in money laundering cases pursuant to section 981(a)(1)(A) of title 18, United States Code.
  `(3) Treatment of certain property as involved in the offense.--For purposes of this subsection and subsection (b), any currency or other monetary instrument that is concealed or intended to be concealed in violation of subsection (a) or a conspiracy to commit such violation, any article, container, or conveyance used, or intended to be used, to conceal or transport the currency or other monetary instrument, and any other property used, or intended to be used, to facilitate the offense, shall be considered property involved in the offense.''.

(c) Clerical Amendment.--The table of sections for subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5331, as added by this Act, the following new item:

``5332. Bulk cash smuggling into or out of the United States.''

SEC. 372. FORFEITURE IN CURRENCY REPORTING CASES.

(a) In General.--Subsection (c) of section 5317 of title 31, United States Code, is amended to read as follows:
``(c) Forfeiture.--
  `(1) Criminal forfeiture.--
"(A) In general.--The court in imposing sentence for any violation of section 5313, 5316, or 5324 of this title, or any conspiracy to commit such violation, shall order the defendant to forfeit all property, real or personal, involved in the offense and any property traceable thereto.

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"(B) Procedure.--Forfeitures under this paragraph shall be governed by the procedures established in section 413 of the Controlled Substances Act.

"(2) Civil forfeiture.--Any property involved in a violation of section 5313, 5316, or 5324 of this title, or any conspiracy to commit any such violation, and any property traceable to any such violation or conspiracy, may be seized and forfeited to the United States in accordance with the procedures governing civil forfeitures in money laundering cases pursuant to section 981(a)(1)(A) of title 18, United States Code.''.

(b) Conforming Amendments.--

(1) Section 981(a)(1)(A) of title 18, United States Code, is amended--

(A) by striking "of section 5313(a) or 5324(a) of title 31, or''; and

(B) by striking "However'' and all that follows through the end of the subparagraph.

(2) Section 982(a)(1) of title 18, United States Code, is amended--

(A) by striking "of section 5313(a), 5316, or 5324 of title 31, or''; and

(B) by striking "However'' and all that follows through the end of the paragraph.

SEC. 373. ILLEGAL MONEY TRANSMITTING BUSINESSES.

(a) Scienter Requirement for Section 1960 Violation.--Section 1960 of title 18, United States Code, is amended to read as follows:

"Sec. 1960. Prohibition of unlicensed money transmitting businesses

"(a) Whoever knowingly conducts, controls, manages, supervises, directs, or owns all or part of an unlicensed money transmitting business, shall be fined in accordance with this title or imprisoned not more than 5 years, or both.

"(b) As used in this section--

"(1) the term 'unlicensed money transmitting business' means a money transmitting business which affects interstate or foreign commerce in any manner or degree and--

"(A) is operated without an appropriate money transmitting license in a State where such operation is punishable as a misdemeanor or a felony under State law, whether or not the defendant knew that the operation was required to be licensed or that the operation was so punishable;

"(B) fails to comply with the money transmitting business registration requirements under section 5330 of title 31, United States Code, or regulations prescribed under such section; or

"(C) otherwise involves the transportation or
transmission of funds that are known to the defendant to have been derived from a criminal offense or are intended to be used to promote or support unlawful activity;

``(2) the term 'money transmitting' includes transferring funds on behalf of the public by any and all means including but not limited to transfers within this country or to locations abroad by wire, check, draft, facsimile, or courier; and

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``(3) the term 'State' means any State of the United States, the District of Columbia, the Northern Mariana Islands, and any commonwealth, territory, or possession of the United States.''.

(b) Seizure of Illegally Transmitted Funds.--Section 981(a)(1)(A) of title 18, United States Code, is amended by striking ``or 1957'' and inserting `, 1957 or 1960''.

(c) Clerical Amendment.--The table of sections for chapter 95 of title 18, United States Code, is amended in the item relating to section 1960 by striking ``illegal'' and inserting ``unlicensed''.

SEC. 374. COUNTERFEITING DOMESTIC CURRENCY AND OBLIGATIONS.

(a) Counterfeit Acts Committed Outside the United States.--Section 470 of title 18, United States Code, is amended--

(1) in paragraph (2), by inserting ``analog, digital, or electronic image,'' after ``plate, stone,''; and

(2) by striking ``shall be fined under this title, imprisoned not more than 20 years, or both'' and inserting ``shall be punished as is provided for the like offense within the United States''.

(b) Obligations or securities of the United States.--Section 471 of title 18, United States Code, is amended by striking ``fifteen years'' and inserting ``20 years''.

(c) Uttering Counterfeit Obligations or Securities.--Section 472 of title 18, United States Code, is amended by striking ``fifteen years'' and inserting ``20 years''.

(d) Dealing in Counterfeit Obligations or Securities.--Section 473 of title 18, United States Code, is amended by striking ``ten years'' and inserting ``20 years''.

(e) Plates, Stones, or Analog, Digital, or Electronic Images For Counterfeiting Obligations or Securities.--

(1) In general.--Section 474(a) of title 18, United States Code, is amended by inserting after the second paragraph the following new paragraph:

``Whoever, with intent to defraud, makes, executes, acquires, scans, captures, records, receives, transmits, reproduces, sells, or has in such person's control, custody, or possession, an analog, digital, or electronic image of any obligation or other security of the United States; or''.

(2) Amendment to definition.--Section 474(b) of title 18, United States Code, is amended by striking the first sentence and inserting the following new sentence: `For purposes of this section, the term 'analog, digital, or electronic image' includes any analog, digital, or electronic method used for the making, execution, acquisition, scanning, capturing, recording, retrieval, transmission, or reproduction of any obligation or

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:... 2/8/03
security, unless such use is authorized by the Secretary of the Treasury.'

(3) Technical and conforming amendment.--The heading for section 474 of title 18, United States Code, is amended by striking ``or stones'' and inserting `, stones, or analog, digital, or electronic images'.'

(4) Clerical amendment.--The table of sections for chapter 25 of title 18, United States Code, is amended in the item relating to section 474 by striking ``or stones'' and inserting `, stones, or analog, digital, or electronic images''.

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(f) Taking Impressions of Tools Used for Obligations or Securities.--Section 476 of title 18, United States Code, is amended--

(1) by inserting ``, analog, digital, or electronic image,,' after ``, impression, stamp,,''; and

(2) by striking ``ten years'' and inserting ``25 years''.

(g) Possessing or Selling Impressions of Tools Used for Obligations or Securities.--Section 477 of title 18, United States Code, is amended--

(1) in the first paragraph, by inserting ``, analog, digital, or electronic image,,' after ``, imprint, stamp,,'';

(2) in the second paragraph, by inserting ``, analog, digital, or electronic image,,' after ``, imprint, stamp,,''; and

(3) in the third paragraph, by striking ``ten years'' and inserting ``25 years''.

(h) Connecting Parts of Different Notes.--Section 484 of title 18, United States Code, is amended by striking ``five years'' and inserting ``10 years''.

(i) Bonds and Obligations of Certain Lending Agencies.--The first and second paragraphs of section 493 of title 18, United States Code, are each amended by striking ``five years'' and inserting ``10 years''.

SEC. 375. COUNTERFEITING FOREIGN CURRENCY AND OBLIGATIONS.

(a) Foreign Obligations or Securities.--Section 478 of title 18, United States Code, is amended by striking ``, five years,`` and inserting ``, 20 years,``.

(b) Uttering Counterfeit Foreign Obligations or Securities.--Section 479 of title 18, United States Code, is amended by striking ``three years'' and inserting ``20 years''.

(c) Possessing Counterfeit Foreign Obligations or Securities.--Section 480 of title 18, United States Code, is amended by striking ``, one year,`` and inserting ``, 20 years,``.

(d) Plates, Stones, or Analog, Digital, or Electronic Images for Counterfeiting Foreign Obligations or Securities.--

(1) In general.--Section 481 of title 18, United States Code, is amended by inserting after the second paragraph the following new paragraph:

``, Whoever, with intent to defraud, makes, executes, acquires, scans, captures, records, receives, transmits, reproduces, sells, or has in such person's control, custody, or possession, an analog, digital, or electronic image of any bond, certificate, obligation, or other security of any foreign government, or of any treasury note, bill, or promise to pay, lawfully issued by such foreign government and intended to circulate as money; or'',

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f... 2/8/03
(2) Increased sentence.--The last paragraph of section 481 of title 18, United States Code, is amended by striking "five years" and inserting "25 years".

(3) Technical and conforming amendment.--The heading for section 481 of title 18, United States Code, is amended by striking "or stones" and inserting "stones, or analog, digital, or electronic images".

(4) Clerical amendment.--The table of sections for chapter 25 of title 18, United States Code, is amended in the item relating to section 481 by striking "or stones" and inserting "stones, or analog, digital, or electronic images".

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(e) Foreign Bank Notes.--Section 482 of title 18, United States Code, is amended by striking "two years" and inserting "20 years".

(f) Uttering Counterfeit Foreign Bank Notes.--Section 483 of title 18, United States Code, is amended by striking "one year" and inserting "20 years".

SEC. 376. LAUNDERING THE PROCEEDS OF TERRORISM.

Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting "or 2339B" after "2339A".

SEC. 377. EXTRATERRITORIAL JURISDICTION.

Section 1029 of title 18, United States Code, is amended by adding at the end the following:

``(h) Any person who, outside the jurisdiction of the United States, engages in any act that, if committed within the jurisdiction of the United States, would constitute an offense under subsection (a) or (b) of this section, shall be subject to the fines, penalties, imprisonment, and forfeiture provided in this title if--

``(1) the offense involves an access device issued, owned, managed, or controlled by a financial institution, account issuer, credit card system member, or other entity within the jurisdiction of the United States; and

``(2) the person transports, delivers, conveys, transfers to or through, or otherwise stores, secrets, or holds within the jurisdiction of the United States, any article used to assist in the commission of the offense or the proceeds of such offense or property derived therefrom.''.

TITLE IV--PROTECTING THE BORDER

Subtitle A--Protecting the Northern Border

SEC. 401. ENSURING ADEQUATE PERSONNEL ON THE NORTHERN BORDER.

The Attorney General is authorized to waive any FTE cap on personnel assigned to the Immigration and Naturalization Service on the Northern border.

SEC. 402. NORTHERN BORDER PERSONNEL.

There <<NOTE: Appropriation authorization.>> are authorized to be appropriated--

(1) such sums as may be necessary to triple the number of Border Patrol personnel (from the number authorized under
current law), and the necessary personnel and facilities to support such personnel, in each State along the Northern Border;

(2) such sums as may be necessary to triple the number of Customs Service personnel (from the number authorized under current law), and the necessary personnel and facilities to support such personnel, at ports of entry in each State along the Northern Border;

(3) such sums as may be necessary to triple the number of INS inspectors (from the number authorized on the date of the enactment of this Act), and the necessary personnel

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and facilities to support such personnel, at ports of entry in each State along the Northern Border; and

(4) an additional $50,000,000 each to the Immigration and Naturalization Service and the United States Customs Service for purposes of making improvements in technology for monitoring the Northern Border and acquiring additional equipment at the Northern Border.

SEC. 403. ACCESS BY THE DEPARTMENT OF STATE AND THE INS TO CERTAIN IDENTIFYING INFORMATION IN THE CRIMINAL HISTORY RECORDS OF VISA APPLICANTS AND APPLICANTS FOR ADMISSION TO THE UNITED STATES.

(a) Amendment of the Immigration and Nationality Act.--Section 105 of the Immigration and Nationality Act (8 U.S.C. 1105) is amended--

(1) in the section heading, by inserting `data exchange' after `security officers';

(2) by inserting `(a)' after `Sec. 105.'';

(3) in subsection (a), by inserting `and border' after `internal' the second place it appears; and

(4) by adding at the end the following:

``(b)(1) The Attorney General and the Director of the Federal Bureau of Investigation shall provide the Department of State and the Service access to the criminal history record information contained in the National Crime Information Center's Interstate Identification Index (NCIC-III), Wanted Persons File, and to any other files maintained by the National Crime Information Center that may be mutually agreed upon by the Attorney General and the agency receiving the access, for the purpose of determining whether or not a visa applicant or applicant for admission has a criminal history record indexed in any such file.

``(2) Such access shall be provided by means of extracts of the records for placement in the automated visa lookout or other appropriate database, and shall be provided without any fee or charge.

``(3) The Federal Bureau of Investigation shall provide periodic updates of the extracts at intervals mutually agreed upon with the agency receiving the access. Upon receipt of such updated extracts, the receiving agency shall make corresponding updates to its database and destroy previously provided extracts.

``(4) Access to an extract does not entitle the Department of State to obtain the full content of the corresponding automated criminal history record. To obtain the full content of a criminal history record, the Department of State shall submit the applicant's fingerprints and any appropriate fingerprint processing fee authorized by law to the Criminal Justice Information Services Division of the Federal Bureau of Investigation.

``(c) The provision of the extracts described in subsection (b) may
be reconsidered by the Attorney General and the receiving agency upon the development and deployment of a more cost-effective and efficient means of sharing the information.

``(d) <<NOTE: Deadline. Regulations.>> For purposes of administering this section, the Department of State shall, prior to receiving access to NCIC data but not later than 4 months after the date of enactment of this subsection, promulgate final regulations--
``(1) to implement procedures for the taking of fingerprints; and

``(2) to establish the conditions for the use of the information received from the Federal Bureau of Investigation, in order--
``(A) to limit the redissemination of such information;
``(B) to ensure that such information is used solely to determine whether or not to issue a visa to an alien or to admit an alien to the United States;
``(C) to ensure the security, confidentiality, and destruction of such information; and
``(D) to protect any privacy rights of individuals who are subjects of such information.''.

(b) Reporting <<NOTE: Deadline. 8 USC 1105 note.>> Requirement.--Not later than 2 years after the date of enactment of this Act, the Attorney General and the Secretary of State jointly shall report to Congress on the implementation of the amendments made by this section.

(c) Technology <<NOTE: 8 USC 1379.>> Standard to Confirm Identity.--
(1) In <<NOTE: Deadline.>> General.--The Attorney General and the Secretary of State jointly, through the National Institute of Standards and Technology (NIST), and in consultation with the Secretary of the Treasury and other Federal law enforcement and intelligence agencies the Attorney General or Secretary of State deems appropriate and in consultation with Congress, shall within 2 years after the date of the enactment of this section, develop and certify a technology standard that can be used to verify the identity of persons applying for a United States visa or such persons seeking to enter the United States pursuant to a visa for the purposes of conducting background checks, confirming identity, and ensuring that a person has not received a visa under a different name or such person seeking to enter the United States pursuant to a visa.

(2) Integrated.--The technology standard developed pursuant to paragraph (1), shall be the technological basis for a cross-agency, cross-platform electronic system that is a cost-effective, efficient, fully integrated means to share law enforcement and intelligence information necessary to confirm the identity of such persons applying for a United States visa or such person seeking to enter the United States pursuant to a visa.

(3) Accessible.--The electronic system described in paragraph (2), once implemented, shall be readily and easily accessible to--
(A) all consular officers responsible for the issuance of visas;
(B) all Federal inspection agents at all United
States border inspection points; and
(C) all law enforcement and intelligence officers as
determined by regulation to be responsible for
investigation or identification of aliens admitted to
the United States pursuant to a visa.

(4) Report.--Not later than 18 months
after the date of the enactment of this Act, and every 2 years
thereafter, the Attorney General and the Secretary of State
shall jointly, in consultation with the Secretary of Treasury,
report to Congress describing the development, implementation,
efficacy, and privacy implications of the technology standard
and electronic database system described in this subsection.

(5) Funding.--There is authorized to be appropriated to the
Secretary of State, the Attorney General, and the Director

of the National Institute of Standards and Technology such sums
as may be necessary to carry out the provisions of this
subsection.

(d) Statutory Construction.--Nothing in
this section, or in any other law, shall be construed to limit the
authority of the Attorney General or the Director of the Federal Bureau
of Investigation to provide access to the criminal history record
information contained in the National Crime Information Center's (NCIC)
Interstate Identification Index (NCIC-III), or to any other information
maintained by the NCIC, to any Federal agency or officer authorized to
enforce or administer the immigration laws of the United States, for the
purpose of such enforcement or administration, upon terms that are
consistent with the National Crime Prevention and Privacy Compact Act of
1998 (subtitle A of title II of Public Law 105-251; 42 U.S.C. 14611-16)
and section 552a of title 5, United States Code.

SEC. 404. LIMITED AUTHORITY TO PAY OVERTIME.

The matter under the headings ''Immigration And Naturalization
Service: Salaries and Expenses, Enforcement And Border Affairs'' and
''Immigration And Naturalization Service: Salaries and Expenses,
Citizenship And Benefits, Immigration And Program Direction'' in the
Department of Justice Appropriations Act, 2001 (as enacted into law by
Appendix B (H.R. 5548) of Public Law 106-553 (114 Stat. 2762A-58 to
2762A-59)) is amended by striking the following each place it occurs:
``Provided, That none of the funds available to the Immigration and
Naturalization Service shall be available to pay any employee overtime
pay in an amount in excess of $30,000 during the calendar year beginning
January 1, 2001:''.

SEC. 405. REPORT ON THE INTEGRATED AUTOMATED
FINGERPRINT IDENTIFICATION SYSTEM FOR PORTS OF ENTRY AND
OVERSEAS CONSULAR POSTS.

(a) In General.--The Attorney General, in consultation with the
appropriate heads of other Federal agencies, including the Secretary of
State, Secretary of the Treasury, and the Secretary of Transportation,
shall report to Congress on the feasibility of enhancing the Integrated
Automated Fingerprint Identification System (IAFIS) of the Federal
Bureau of Investigation and other identification systems in order to
better identify a person who holds a foreign passport or a visa and may
be wanted in connection with a criminal investigation in the United
States or abroad, before the issuance of a visa to that person or the
entry or exit from the United States by that person.

(b) Authorization of Appropriations.--There is authorized to be
appropriated not less than $2,000,000 to carry out this section.

Subtitle B--Enhanced Immigration Provisions

SEC. 411. DEFINITIONS RELATING TO TERRORISM.

(a) Grounds of Inadmissibility.--Section 212(a)(3) of the
Immigration and Nationality Act (8 U.S.C. 1182(a)(3)) is amended--
(1) in subparagraph (B)--
(A) in clause (i)--

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(i) by amending subclause (IV) to read as
follows:
``(IV) is a representative (as
defined in clause (v)) of--
``(aa) a foreign terrorist
organization, as designated by
the Secretary of State under
section 219, or
``(bb) a political, social
or other similar group whose
public endorsement of acts of
terrorist activity the Secretary
of State has determined
undermines United States efforts
to reduce or eliminate terrorist
activities,'';
(ii) in subclause (V), by inserting ```or''
after ```section 219,''; and
(iii) by adding at the end the following new
subclauses:
``(VI) has used the alien's position
of prominence within any country to
endorse or espouse terrorist activity,
or to persuade others to support
terrorist activity or a terrorist
organization, in a way that the
Secretary of State has determined
undermines United States efforts to
reduce or eliminate terrorist
activities, or
``(VII) is the spouse or child of an
alien who is inadmissible under this
section, if the activity causing the
alien to be found inadmissible occurred
within the last 5 years,'';
(B) by redesignating clauses (ii), (iii), and (iv)
as clauses (iii), (iv), and (v), respectively;
(C) in clause (i)(II), by striking ```clause (iii)''
and inserting ```clause (iv)''';
(D) by inserting after clause (i) the following:
``(ii) Exception.--Subclause (VII) of clause
(i) does not apply to a spouse or child--
``(I) who did not know or should not
reasonably have known of the activity

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f... 2/8/03
causing the alien to be found inadmissible under this section; or

``(II) whom the consular officer or Attorney General has reasonable grounds to believe has renounced the activity causing the alien to be found inadmissible under this section.'';

(E) in clause (iii) (as redesignated by subparagraph (B))--
   (i) by inserting `it had been' before `committed in the United States'; and
   (ii) in subclause (V)(b), by striking `or firearm' and inserting `firearm, or other weapon or dangerous device';

(F) by amending clause (iv) (as redesignated by subparagraph (B)) to read as follows:

``(iv) Engage in terrorist activity defined.--
As used in this chapter, the term `engage in terrorist activity' means, in an individual capacity or as a member of an organization--
   ``(I) to commit or to incite to commit, under circumstances indicating an intention to cause death or serious bodily injury, a terrorist activity;
   ``(II) to prepare or plan a terrorist activity;
   ``(III) to gather information on potential targets for terrorist activity;
   ``(IV) to solicit funds or other things of value for--
   ``(aa) a terrorist activity;
   ``(bb) a terrorist organization described in clause (vi)(I) or (vi)(II); or
   ``(cc) a terrorist organization described in clause (vi)(III), unless the solicitor can demonstrate that he did not know, and should not reasonably have known, that the solicitation would further the organization's terrorist activity;
   ``(V) to solicit any individual--
   ``(aa) to engage in conduct otherwise described in this clause;
   ``(bb) for membership in a terrorist organization described in clause (vi)(I) or (vi)(II); or
   ``(cc) for membership in a terrorist organization described in clause (vi)(III), unless the solicitor can demonstrate that he did not know, and should not
reasonably have known, that the solicitation would further the organization's terrorist activity; or

``(VI) to commit an act that the actor knows, or reasonably should know, affords material support, including a safe house, transportation, communications, funds, transfer of funds or other material financial benefit, false documentation or identification, weapons (including chemical, biological, or radiological weapons), explosives, or training--

``(aa) for the commission of a terrorist activity;
``(bb) to any individual who the actor knows, or reasonably should know, has committed or plans to commit a terrorist activity;
``(cc) to a terrorist organization described in clause (vi)(I) or (vi)(II); or
``(dd) to a terrorist organization described in clause (vi)(III), unless the actor can demonstrate that he did not know, and should not reasonably have known, that the act would further the organization's terrorist activity.

This clause shall not apply to any material support the alien afforded to an organization or individual that has committed terrorist activity, if the Secretary of State, after consultation with the Attorney General, or the Attorney General, after consultation with the Secretary of State, concludes in his sole unreviewable discretion, that this clause should not apply.'';
and

(G) by adding at the end the following new clause:
``(vi) Terrorist organization defined.--As used in clause (i)(VI) and clause (iv), the term 'terrorist organization' means an organization--

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``(I) designated under section 219;
``(II) otherwise designated, upon publication in the Federal Register, by the Secretary of State in consultation with or upon the request of the Attorney General, as a terrorist organization, after finding that the organization engages in the activities described in subclause (I), (II), or (III) of clause (iv), or that the organization provides
material support to further terrorist activity; or

``(III) that is a group of two or more individuals, whether organized or not, which engages in the activities described in subclause (I), (II), or (III) of clause (iv).''; and

(2) by adding at the end the following new subparagraph:

``(F) Association with terrorist organizations.--Any alien who the Secretary of State, after consultation with the Attorney General, or the Attorney General, after consultation with the Secretary of State, determines has been associated with a terrorist organization and intends while in the United States to engage solely, principally, or incidentally in activities that could endanger the welfare, safety, or security of the United States is inadmissible.''.

(b) Conforming Amendments.--


(2) Section 208(b)(2)(A)(v) of the Immigration and Nationality Act (8 U.S.C. 1158(b)(2)(A)(v)) is amended by striking `or (IV)'' and inserting `(IV), or (VI)'.

(c) Retroactive Application of Amendments.--

(1) In general.--Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to--

(A) actions taken by an alien before, on, or after such date; and

(B) all aliens, without regard to the date of entry or attempted entry into the United States--

(i) in removal proceedings on or after such date (except for proceedings in which there has been a final administrative decision before such date); or

(ii) seeking admission to the United States on or after such date.

(2) Special rule for aliens in exclusion or deportation proceedings.--Notwithstanding any other provision of law, sections 212(a)(3)(B) and 237(a)(4)(B) of the Immigration and Nationality Act, as amended by this Act, shall apply to all aliens in exclusion or deportation proceedings on or after the date of the enactment of this Act (except for proceedings in which there has been a final administrative decision before such date) as if such proceedings were removal proceedings.

(3) Special rule for section 219 organizations and organizations designated under section 212(a)(3)(B)(vi)(II).--

(A) In general.--Notwithstanding paragraphs (1) and (2), no alien shall be considered inadmissible under section 212(a)(3) of the Immigration and Nationality Act (8 U.S.C.

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1182(a)(3)), or deportable under section 237(a)(4)(B) of
such Act (8 U.S.C. 1227(a)(4)(B)), by reason of the amendments made by subsection (a), on the ground that the alien engaged in a terrorist activity described in subclause (IV)(bb), (V)(bb), or (VI)(cc) of section 212(a)(3)(B)(iv) of such Act (as so amended) with respect to a group at any time when the group was not a terrorist organization designated by the Secretary of State under section 219 of such Act (8 U.S.C. 1189) or otherwise designated under section 212(a)(3)(B)(vi)(II) of such Act (as so amended).

(B) Statutory construction.--Subparagraph (A) shall not be construed to prevent an alien from being considered inadmissible or deportable for having engaged in a terrorist activity--

(i) described in subclause (IV)(bb), (V)(bb), or (VI)(cc) of section 212(a)(3)(B)(iv) of such Act (as so amended) with respect to a terrorist organization at any time when such organization was designated by the Secretary of State under section 219 of such Act or otherwise designated under section 212(a)(3)(B)(vi)(II) of such Act (as so amended); or

(ii) described in subclause (IV)(cc), (V)(cc), or (VI)(dd) of section 212(a)(3)(B)(iv) of such Act (as so amended) with respect to a terrorist organization described in section 212(a)(3)(B)(vi)(III) of such Act (as so amended).

(4) Exception.--The Secretary of State, in consultation with the Attorney General, may determine that the amendments made by this section shall not apply with respect to actions by an alien taken outside the United States before the date of the enactment of this Act upon the recommendation of a consular officer who has concluded that there is not reasonable ground to believe that the alien knew or reasonably should have known that the actions would further a terrorist activity.

(c) Designation of Foreign Terrorist Organizations.--Section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a)) is amended--

(1) in paragraph (1)(B), by inserting `or terrorism (as defined in section 140(d)(2) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f(d)(2)), or retains the capability and intent to engage in terrorist activity or terrorism' after `212(a)(3)(B)';

(2) in paragraph (1)(C), by inserting `or terrorism' after `terrorist activity';

(3) by amending paragraph (2)(A) to read as follows:

``(A) <<NOTE: Classified information.>> Notice.--

`(i) To congressional leaders.--Seven days before making a designation under this subsection, the Secretary shall, by classified communication, notify the Speaker and Minority Leader of the House of Representatives, the President pro tempore, Majority Leader, and Minority Leader of the Senate, and the members of the relevant committees of the House of Representatives and the Senate, in writing, of the intent to designate an organization under this``
subsection, together with the findings made under paragraph (1) with respect to that organization, and the factual basis therefor.

(ii) Publication in federal register.--The Secretary shall publish the designation in the Federal Register seven days after providing the notification under clause (i).

(4) in paragraph (2)(B)(i), by striking ``subparagraph (A)'' and inserting ``subparagraph (A)(ii)'';
(5) in paragraph (2)(C), by striking ``paragraph (2)'' and inserting ``paragraph (2)(A)(i)'';
(6) in paragraph (3)(B), by striking ``subsection (c)'' and inserting ``subsection (b)'';
(7) in paragraph (4)(B), by inserting after the first sentence the following: "The Secretary also may redesignate such organization at the end of any 2-year redesignation period (but not sooner than 60 days prior to the termination of such period) for an additional 2-year period upon a finding that the relevant circumstances described in paragraph (1) still exist. Any redesignation shall be effective immediately following the end of the prior 2-year designation or redesignation period unless a different effective date is provided in such redesignation.''
(8) in paragraph (6)(A)--
(A) by inserting ``or a redesignation made under paragraph (4)(B)'' after ``paragraph (1)'';
(B) in clause (i)--
(i) by inserting ``or redesignation'' after ``designation'' the first place it appears; and
(ii) by striking ``of the designation'';
(C) in clause (ii), by striking ``of the designation'';
(9) in paragraph (6)(B)--
(A) by striking ``through (4)'' and inserting ``and 3''; and
(B) by inserting at the end the following new sentence: "Any revocation shall take effect on the date specified in the revocation or upon publication in the Federal Register if no effective date is specified.''
(10) in paragraph (7), by inserting '', or the revocation of a redesignation under paragraph (6),'' after ``paragraph (5) or (6)''; and
(11) in paragraph (8)--
(A) by striking ``paragraph (1)(B)'' and inserting ``paragraph (2)(B), or if a redesignation under this subsection has become effective under paragraph (4)(B)'';
(B) by inserting ``or an alien in a removal proceeding'' after ``criminal action''; and
(C) by inserting ``or redesignation'' before ``as a defense''.

SEC. 412. MANDATORY DETENTION OF SUSPECTED TERRORISTS; HABEAS CORPUS; JUDICIAL REVIEW.

(a) In General.--The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended by inserting after section 236 the following:

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Sec. 236A. <<NOTE: 8 USC 1226a.>> (a) Detention of Terrorist Aliens.--

(1) Custody.--The Attorney General shall take into custody any alien who is certified under paragraph (3).

(2) Release.--Except as provided in paragraphs (5) and (6), the Attorney General shall maintain custody of such an alien until the alien is removed from the United States. Except as provided in paragraph (6), such custody shall be maintained irrespective of any relief from removal for which the alien may be eligible, or any relief from removal granted the alien, until the Attorney General determines that the alien is no longer an alien who may be certified under paragraph (3). If the alien is finally determined not to be removable, detention pursuant to this subsection shall terminate.

(3) Certification.--The Attorney General may certify an alien under this paragraph if the Attorney General has reasonable grounds to believe that the alien--

(A) is described in section 212(a)(3)(A)(i), 212(a)(3)(A)(iii), 212(a)(3)(B), 237(a)(4)(A)(i), 237(a)(4)(A)(ii), or 237(a)(4)(B); or

(B) is engaged in any other activity that endangers the national security of the United States.

(4) Nondelegation.--The Attorney General may delegate the authority provided under paragraph (3) only to the Deputy Attorney General. The Deputy Attorney General may not delegate such authority.

(5) Commencement <<NOTE: Deadline.>> of proceedings.--The Attorney General shall place an alien detained under paragraph (1) in removal proceedings, or shall charge the alien with a criminal offense, not later than 7 days after the commencement of such detention. If the requirement of the preceding sentence is not satisfied, the Attorney General shall release the alien.

(6) Limitation on indefinite detention.--An alien detained solely under paragraph (1) who has not been removed under section 241(a)(1)(A), and whose removal is unlikely in the reasonably foreseeable future, may be detained for additional periods of up to six months only if the release of the alien will threaten the national security of the United States or the safety of the community or any person.

(7) Review of certification.--The Attorney General shall review the certification made under paragraph (3) every 6 months. If the Attorney General determines, in the Attorney General's discretion, that the certification should be revoked, the alien may be released on such conditions as the Attorney General deems appropriate, unless such release is otherwise prohibited by law. The alien may request each 6 months in writing that the Attorney General reconsider the certification and may submit documents or other evidence in support of that request.

(b) Habeas Corpus and Judicial Review.--

(1) In general.--Judicial review of any action or decision relating to this section (including judicial review of the merits of a determination made under subsection (a)(3) or (a)(6)) is available exclusively in habeas corpus proceedings consistent with this subsection. Except as provided in the preceding
sentence, no court shall have jurisdiction to review, by habeas
corpus petition or otherwise, any such action or decision.

``(2) Application.--

``(A) In general.--Notwithstanding any other
provision of law, including section 2241(a) of title 28,
United States Code, habeas corpus proceedings described
in paragraph (1) may be initiated only by an application
filed with--

``(i) the Supreme Court;
``(ii) any justice of the Supreme Court;
``(iii) any circuit judge of the United States
Court of Appeals for the District of Columbia
Circuit; or
``(iv) any district court otherwise having
jurisdiction to entertain it.

``(B) Application transfer.--Section 2241(b) of
title 28, United States Code, shall apply to an
application for a writ of habeas corpus described in
subparagraph (A).

``(3) Appeals.--Notwithstanding any other provision of law,
including section 2253 of title 28, in habeas corpus proceedings
described in paragraph (1) before a circuit or district judge,
the final order shall be subject to review, on appeal, by the
United States Court of Appeals for the District of Columbia
Circuit. There shall be no right of appeal in such proceedings
to any other circuit court of appeals.

``(4) Rule of decision.--The law applied by the Supreme
Court and the United States Court of Appeals for the District of
Columbia Circuit shall be regarded as the rule of decision in
habeas corpus proceedings described in paragraph (1).

``(c) Statutory Construction.--The provisions of this section shall
not be applicable to any other provision of this Act.''.

(b) Clerical Amendment.--The table of contents of the Immigration
and Nationality Act is amended by inserting after the item relating to
section 236 the following:

``Sec. 236A. Mandatory detention of suspected terrorist; habeas corpus;
judicial review.''.

(c) Reports.--Not <<NOTE: Deadline. 8 USC 1226a note.>> later than 6
months after the date of the enactment of this Act, and every 6 months
thereafter, the Attorney General shall submit a report to the Committee
on the Judiciary of the House of Representatives and the Committee on
the Judiciary of the Senate, with respect to the reporting period, on--

(1) the number of aliens certified under section 236A(a)(3)
of the Immigration and Nationality Act, as added by subsection
(a);

(2) the grounds for such certifications;

(3) the nationalities of the aliens so certified;

(4) the length of the detention for each alien so certified;

and

(5) the number of aliens so certified who--

(A) were granted any form of relief from removal;

(B) were removed;

(C) the Attorney General has determined are no
longer aliens who may be so certified; or

(D) were released from detention.
SEC. 413. MULTILATERAL COOPERATION AGAINST TERRORISTS.

Section 222(f) of the Immigration and Nationality Act (8 U.S.C. 1202(f)) is amended--

(1) by striking ``except that in the discretion of'' and inserting the following: ``except that--

``(1) in the discretion of''; and

(2) by adding at the end the following:

``(2) the Secretary of State, in the Secretary's discretion and on the basis of reciprocity, may provide to a foreign government information in the Department of State's computerized visa lookout database and, when necessary and appropriate, other records covered by this section related to information in the database--

``(A) with regard to individual aliens, at any time on a case-by-case basis for the purpose of preventing, investigating, or punishing acts that would constitute a crime in the United States, including, but not limited to, terrorism or trafficking in controlled substances, persons, or illicit weapons; or

``(B) with regard to any or all aliens in the database, pursuant to such conditions as the Secretary of State shall establish in an agreement with the foreign government in which that government agrees to use such information and records for the purposes described in subparagraph (A) or to deny visas to persons who would be inadmissible to the United States.''.

SEC. 414. <<NOTE: 8 USC 1365a note.>> VISA INTEGRITY AND SECURITY.

(a) Sense of Congress Regarding the Need To Expedite Implementation of Integrated Entry and Exit Data System.--

(1) Sense of congress.--In light of the terrorist attacks perpetrated against the United States on September 11, 2001, it is the sense of the Congress that--

(A) the Attorney General, in consultation with the Secretary of State, should fully implement the integrated entry and exit data system for airports, seaports, and land border ports of entry, as specified in section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1365a), with all deliberate speed and as expeditiously as practicable; and

(B) the Attorney General, in consultation with the Secretary of State, the Secretary of Commerce, the Secretary of the Treasury, and the Office of Homeland Security, should immediately begin establishing the Integrated Entry and Exit Data System Task Force, as described in section 3 of the Immigration and Naturalization Service Data Management Improvement Act of 2000 (Public Law 106-215).

(2) Authorization of appropriations.--There is authorized to be appropriated such sums as may be necessary to fully implement the system described in paragraph (1)(A).

(b) Development of the System.--In the development of the integrated entry and exit data system under section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1365a), the
Attorney General and the Secretary of State shall particularly focus on—

(1) the utilization of biometric technology; and

(2) the development of tamper-resistant documents readable at ports of entry.

(c) Interface With Law Enforcement Databases.—The entry and exit data system described in this section shall be able to interface with law enforcement databases for use by Federal law enforcement to identify and detain individuals who pose a threat to the national security of the United States.

(d) Report <<NOTE: Deadline.>> on Screening Information.—Not later than 12 months after the date of enactment of this Act, the Office of Homeland Security shall submit a report to Congress on the information that is needed from any United States agency to effectively screen visa applicants and applicants for admission to the United States to identify those affiliated with terrorist organizations or those that pose any threat to the safety or security of the United States, including the type of information currently received by United States agencies and the regularity with which such information is transmitted to the Secretary of State and the Attorney General.

SEC. 415. PARTICIPATION OF OFFICE OF HOMELAND SECURITY ON ENTRY-EXIT TASK FORCE.

Section 3 of the Immigration and Naturalization Service Data Management Improvement Act of 2000 <<NOTE: 8 USC 1365a note.>> (Public Law 106-215) is amended by striking ''and the Secretary of the Treasury,''' and inserting ''the Secretary of the Treasury, and the Office of Homeland Security''.

SEC. 416. FOREIGN STUDENT MONITORING PROGRAM.

(a) Full <<NOTE: 8 USC 1372 note.>> Implementation and Expansion of Foreign Student Visa Monitoring Program Required.—The Attorney General, in consultation with the Secretary of State, shall fully implement and expand the program established by section 641(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372(a)).

(b) Integration <<NOTE: 8 USC 1372 note.>> With Port of Entry Information.—For each alien with respect to whom information is collected under section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372), the Attorney General, in consultation with the Secretary of State, shall include information on the date of entry and port of entry.

(c) Expansion of System To Include Other Approved Educational Institutions.—Section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C.1372) is amended—

(1) in subsection (a)(1), subsection (c)(4)(A), and subsection (d)(1) (in the text above subparagraph (A)), by inserting ''other approved educational institutions,'' after ''higher education'' each place it appears;

(2) in subsections (c)(1)(C), (c)(1)(D), and (d)(1)(A), by inserting ''other approved educational institution,'' after ''higher education'' each place it appears;
(3) in subsections (d)(2), (e)(1), and (e)(2), by inserting "other approved educational institution," after "higher education" each place it appears; and
(4) in subsection (h), by adding at the end the following new paragraph:
``(3) Other approved educational institution.--The term 'other approved educational institution' includes any air flight school, language training school, or vocational school, approved by the Attorney General, in consultation with the Secretary of Education and the Secretary of State, under subparagraph (F), (J), or (M) of section 101(a)(15) of the Immigration and Nationality Act.''.

([[Page 115 STAT. 355]])

(d) Authorization <<NOTE: Effective date. Termination date.>> of Appropriations.--There is authorized to be appropriated to the Department of Justice $36,800,000 for the period beginning on the date of enactment of this Act and ending on January 1, 2003, to fully implement and expand prior to January 1, 2003, the program established by section 641(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372(a)).

SEC. 417. MACHINE READABLE PASSPORTS.

(a) Audits.--The Secretary of State shall, each fiscal year until September 30, 2007--

(1) perform annual audits of the implementation of section 217(c)(2)(B) of the Immigration and Nationality Act (8 U.S.C. 1187(c)(2)(B));

(2) check for the implementation of precautionary measures to prevent the counterfeiting and theft of passports; and

(3) ascertain that countries designated under the visa waiver program have established a program to develop tamper-resistant passports.

(b) Periodic <<NOTE: Effective date. Termination date.>> Reports.--Beginning one year after the date of enactment of this Act, and every year thereafter until 2007, the Secretary of State shall submit a report to Congress setting forth the findings of the most recent audit conducted under subsection (a)(1).

(c) Advancing Deadline for Satisfaction of Requirement.--Section 217(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1187(a)(3)) is amended by striking "2007" and inserting "2003".

(d) Waiver.--Section 217(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1187(a)(3)) is amended--

(1) by striking "'On or after'" and inserting the following:

``(A) In general.--Except as provided in subparagraph (B), on or after''; and

(2) by adding at the end the following:

``(B) Limited <<NOTE: Effective date. Termination date.>> waiver authority.--For the period beginning October 1, 2003, and ending September 30, 2007, the Secretary of State may waive the requirement of subparagraph (A) with respect to nationals of a program country (as designated under subsection (c)), if the Secretary of State finds that the program country--
`"(i) is making progress toward ensuring that passports meeting the requirement of subparagraph (A) are generally available to its nationals; and
"(ii) has taken appropriate measures to protect against misuse of passports the country has issued that do not meet the requirement of subparagraph (A)."'.

SEC. 418. <<NOTE: 8 USC 1201 note.>> PREVENTION OF CONSULATE SHOPPING.

(a) Review.--The Secretary of State shall review how consular officers issue visas to determine if consular shopping is a problem.

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(b) Actions to be Taken.--If the Secretary of State determines under subsection (a) that consular shopping is a problem, the Secretary shall take steps to address the problem and shall submit a report to Congress describing what action was taken.

Subtitle C--Preservation of Immigration Benefits for Victims of Terrorism

SEC. 421. SPECIAL IMMIGRANT STATUS.

(a) In General.--For purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), the Attorney General may provide an alien described in subsection (b) with the status of a special immigrant under section 101(a)(27) of such Act (8 U.S.C. 1101(a)(27)), if the alien--

(1) files with the Attorney General a petition under section 204 of such Act (8 U.S.C. 1154) for classification under section 203(b)(4) of such Act (8 U.S.C. 1153(b)(4)); and

(2) is otherwise eligible to receive an immigrant visa and is otherwise admissible to the United States for permanent residence, except in determining such admissibility, the grounds for inadmissibility specified in section 212(a)(4) of such Act (8 U.S.C. 1182(a)(4)) shall not apply.

(b) Aliens Described.--

(1) Principal aliens.--An alien is described in this subsection if--

(A) the alien was the beneficiary of--

(i) a petition that was filed with the Attorney General on or before September 11, 2001--

(I) under section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) to classify the alien as a family-sponsored immigrant under section 203(a) of such Act (8 U.S.C. 1153(a)) or as an employment-based immigrant under section 203(b) of such Act (8 U.S.C. 1153(b)); or

(II) under section 214(d) (8 U.S.C. 1184(d)) of such Act to authorize the issuance of a nonimmigrant visa to the alien under section 101(a)(15)(K) of such Act (8 U.S.C. 1101(a)(15)(K)); or

(ii) an application for labor certification under section 212(a)(5)(A) of such Act (8 U.S.C. 1182(a)(5)(A)) that was filed under regulations of
the Secretary of Labor on or before such date; and
(B) such petition or application was revoked or terminated (or otherwise rendered null), either before or after its approval, due to a specified terrorist activity that directly resulted in--
   (i) the death or disability of the petitioner, applicant, or alien beneficiary; or
   (ii) loss of employment due to physical damage to, or destruction of, the business of the petitioner or applicant.

(2) Spouses and children.--
   (A) In general.--An alien is described in this subsection if--

   (i) the alien was, on September 10, 2001, the spouse or child of a principal alien described in paragraph (1); and
   (ii) the alien--
      (I) is accompanying such principal alien; or
      (II) is following to join such principal alien not later than September 11, 2003.

   (B) Construction.--For purposes of construing the terms ``accompanying'' and ``following to join'' in subparagraph (A)(ii), any death of a principal alien that is described in paragraph (1)(B)(i) shall be disregarded.

   (3) Grandparents of orphans.--An alien is described in this subsection if the alien is a grandparent of a child, both of whose parents died as a direct result of a specified terrorist activity, if either of such deceased parents was, on September 10, 2001, a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States.

   (c) Priority Date.--Immigrant visas made available under this section shall be issued to aliens in the order in which a petition on behalf of each such alien is filed with the Attorney General under subsection (a)(1), except that if an alien was assigned a priority date with respect to a petition described in subsection (b)(1)(A)(i), the alien may maintain that priority date.

   (d) Numerical Limitations.--For purposes of the application of sections 201 through 203 of the Immigration and Nationality Act (8 U.S.C. 1151-1153) in any fiscal year, aliens eligible to be provided status under this section shall be treated as special immigrants described in section 101(a)(27) of such Act (8 U.S.C. 1101(a)(27)) who are not described in subparagraph (A), (B), (C), or (K) of such section.

SEC. 422. EXTENSION OF FILING OR REENTRY DEADLINES.

(a) Automatic Extension of Nonimmigrant Status.--
   (1) In general.--Notwithstanding section 214 of the Immigration and Nationality Act (8 U.S.C. 1184), in the case of an alien described in paragraph (2) who was lawfully present in the United States as a nonimmigrant on September 10, 2001, the alien may remain lawfully in the United States in the same nonimmigrant status until the later of--
      (A) the date such lawful nonimmigrant status
otherwise would have terminated if this subsection had not been enacted; or
    (B) 1 year after the death or onset of disability described in paragraph (2).

(2) Aliens described.--
    (A) Principal aliens.--An alien is described in this paragraph if the alien was disabled as a direct result of a specified terrorist activity.
    (B) Spouses and children.--An alien is described in this paragraph if the alien was, on September 10, 2001, the spouse or child of--
        (i) a principal alien described in subparagraph (A); or
        (ii) an alien who died as a direct result of a specified terrorist activity.

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(3) Authorized employment.--During the period in which a principal alien or alien spouse is in lawful nonimmigrant status under paragraph (1), the alien shall be provided an "employment authorized" endorsement or other appropriate document signifying authorization of employment not later than 30 days after the alien requests such authorization.

(b) New Deadlines for Extension or Change of Nonimmigrant Status.--
    (1) Filing delays.--In the case of an alien who was lawfully present in the United States as a nonimmigrant on September 10, 2001, if the alien was prevented from filing a timely application for an extension or change of nonimmigrant status as a direct result of a specified terrorist activity, the alien's application shall be considered timely filed if it is filed not later than 60 days after it otherwise would have been due.
    (2) Departure delays.--In the case of an alien who was lawfully present in the United States as a nonimmigrant on September 10, 2001, if the alien is unable timely to depart the United States as a direct result of a specified terrorist activity, the alien shall not be considered to have been unlawfully present in the United States during the period beginning on September 11, 2001, and ending on the date of the alien's departure, if such departure occurs on or before November 11, 2001.
    (3) Special rule for aliens unable to return from abroad.--
        (A) Principal aliens.--In the case of an alien who was in a lawful nonimmigrant status on September 10, 2001, but who was not present in the United States on such date, if the alien was prevented from returning to the United States in order to file a timely application for an extension of nonimmigrant status as a direct result of a specified terrorist activity--
            (i) the alien's application shall be considered timely filed if it is filed not later than 60 days after it otherwise would have been due; and
            (ii) the alien's lawful nonimmigrant status shall be considered to continue until the later of--
                (I) the date such status otherwise would have terminated if this subparagraph had not been enacted; or

(II) the date that is 60 days after
the date on which the application
otherwise would have been due.

(B) Spouses and children.--In the case of an alien
who is the spouse or child of a principal alien
described in subparagraph (A), if the spouse or child
was in a lawful nonimmigrant status on September 10,
2001, the spouse or child may remain lawfully in the
United States in the same nonimmigrant status until the
later of--

(i) the date such lawful nonimmigrant status
otherwise would have terminated if this
subparagraph had not been enacted; or
(ii) the date that is 60 days after the date
on which the application described in subparagraph
(A) otherwise would have been due.

(4) Circumstances preventing timely action.--

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(A) Filing delays.--For purposes of paragraph (1),
circumstances preventing an alien from timely acting
are--

(i) office closures;
(ii) mail or courier service cessations or
delays; and
(iii) other closures, cessations, or delays
affecting case processing or travel necessary to
satisfy legal requirements.

(B) Departure and return delays.--For purposes of
paragraphs (2) and (3), circumstances preventing an
alien from timely acting are--

(i) office closures;
(ii) airline flight cessations or delays; and
(iii) other closures, cessations, or delays
affecting case processing or travel necessary to
satisfy legal requirements.

(c) Diversity Immigrants.--

(1) Waiver of fiscal year limitation.--Notwithstanding
section 203(e)(2) of the Immigration and Nationality Act (8
U.S.C. 1153(e)(2)), an immigrant visa number issued to an alien
under section 203(c) of such Act for fiscal year 2001 may be
used by the alien during the period beginning on October 1,
2001, and ending on April 1, 2002, if the alien establishes that
the alien was prevented from using it during fiscal year 2001 as
a direct result of a specified terrorist activity.

(2) Worldwide level.--In the case of an alien entering the
United States as a lawful permanent resident, or adjusting to
that status, under paragraph (1) or (3), the alien shall be
counted as a diversity immigrant for fiscal year 2001 for
purposes of section 201(e) of the Immigration and Nationality
Act (8 U.S.C. 1151(e)), unless the worldwide level under such
section for such year has been exceeded, in which case the alien
shall be counted as a diversity immigrant for fiscal year 2002.

(3) Treatment of family members of certain aliens.--In the
case of a principal alien issued an immigrant visa number under
section 203(c) of the Immigration and Nationality Act (8 U.S.C.
1153(c)) for fiscal year 2001, if such principal alien died as a
direct result of a specified terrorist activity, the aliens who were, on September 10, 2001, the spouse and children of such principal alien shall, until June 30, 2002, if not otherwise entitled to an immigrant status and the immediate issuance of a visa under subsection (a), (b), or (c) of section 203 of such Act, be entitled to the same status, and the same order of consideration, that would have been provided to such alien spouse or child under section 203(d) of such Act as if the principal alien were not deceased and as if the spouse or child's visa application had been adjudicated by September 30, 2001.

(4) Circumstances preventing timely action.--For purposes of paragraph (1), circumstances preventing an alien from using an immigrant visa number during fiscal year 2001 are--
(A) office closures;
(B) mail or courier service cessations or delays;
(C) airline flight cessations or delays; and
(D) other closures, cessations, or delays affecting case processing or travel necessary to satisfy legal requirements.

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(d) Extension of Expiration of Immigrant Visas.--

(1) In general.--Notwithstanding the limitations under section 221(c) of the Immigration and Nationality Act (8 U.S.C. 1201(c)), in the case of any immigrant visa issued to an alien that expires or expired before December 31, 2001, if the alien was unable to effect entry into the United States as a direct result of a specified terrorist activity, then the period of validity of the visa is extended until December 31, 2001, unless a longer period of validity is otherwise provided under this subtitle.

(2) Circumstances preventing entry.--For purposes of this subsection, circumstances preventing an alien from effecting entry into the United States are--
(A) office closures;
(B) airline flight cessations or delays; and
(C) other closures, cessations, or delays affecting case processing or travel necessary to satisfy legal requirements.

(e) Grants of Parole Extended.--

(1) In general.--In the case of any parole granted by the Attorney General under section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)) that expires on a date on or after September 11, 2001, if the alien beneficiary of the parole was unable to return to the United States prior to the expiration date as a direct result of a specified terrorist activity, the parole is deemed extended for an additional 90 days.

(2) Circumstances preventing return.--For purposes of this subsection, circumstances preventing an alien from timely returning to the United States are--
(A) office closures;
(B) airline flight cessations or delays; and
(C) other closures, cessations, or delays affecting case processing or travel necessary to satisfy legal requirements.
(f) Voluntary Departure.—Notwithstanding section 240B of the Immigration and Nationality Act (8 U.S.C. 1229c), if a period for voluntary departure under such section expired during the period beginning on September 11, 2001, and ending on October 11, 2001, such voluntary departure period is deemed extended for an additional 30 days.

SEC. 423. HUMANITARIAN RELIEF FOR CERTAIN SURVIVING SPOUSES AND CHILDREN.

(a) Treatment as Immediate Relatives.—

(1) Spouses.—Notwithstanding the second sentence of section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), in the case of an alien who was the spouse of a citizen of the United States at the time of the citizen's death and was not legally separated from the citizen at the time of the citizen's death, if the citizen died as a direct result of a specified terrorist activity, the alien (and each child of the alien) shall be considered, for purposes of section 201(b) of such Act, to remain an immediate relative after the date of the citizen's death, but only if the alien files a petition under section 204(a)(1)(A)(ii) of such Act within 2 years after such date and only until the date the alien remarries. For purposes of such section 204(a)(1)(A)(ii), an alien granted relief under the preceding sentence shall be considered an alien spouse described in the second sentence of section 201(b)(2)(A)(i) of such Act.

(2) Children.—

(A) In general.—In the case of an alien who was the child of a citizen of the United States at the time of the citizen's death, if the citizen died as a direct result of a specified terrorist activity, the alien shall be considered, for purposes of section 201(b) of the Immigration and Nationality Act (8 U.S.C. 1151(b)), to remain an immediate relative after the date of the citizen's death (regardless of changes in age or marital status thereafter), but only if the alien files a petition under subparagraph (B) within 2 years after such date.

(B) Petitions.—An alien described in subparagraph (A) may file a petition with the Attorney General for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(b) Spouses, Children, Unmarried Sons and Daughters of Lawful Permanent Resident Aliens.—

(1) In general.—Any spouse, child, or unmarried son or daughter of an alien described in paragraph (3) who is included in a petition for classification as a family-sponsored immigrant under section 203(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(2)) that was filed by such alien before September 11, 2001, shall be considered (if the spouse, child, son, or daughter has not been admitted or approved for lawful permanent residence by such date) a valid petitioner for
preference status under such section with the same priority date as that assigned prior to the death described in paragraph (3)(A). No new petition shall be required to be filed. Such spouse, child, son, or daughter may be eligible for deferred action and work authorization.

(2) Self-petitions.--Any spouse, child, or unmarried son or daughter of an alien described in paragraph (3) who is not a beneficiary of a petition for classification as a family-sponsored immigrant under section 203(a)(2) of the Immigration and Nationality Act may file a petition for such classification with the Attorney General, if the spouse, child, son, or daughter was present in the United States on September 11, 2001. Such spouse, child, son, or daughter may be eligible for deferred action and work authorization.

(3) Aliens described.--An alien is described in this paragraph if the alien--
(A) died as a direct result of a specified terrorist activity; and
(B) on the day of such death, was lawfully admitted for permanent residence in the United States.

(c) Applications for Adjustment of Status by Surviving Spouses and Children of Employment-Based Immigrants.--
(1) In general.--Any alien who was, on September 10, 2001, the spouse or child of an alien described in paragraph (2), and who applied for adjustment of status prior to the death described in paragraph (2)(A), may have such application adjudicated as if such death had not occurred.

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(2) Aliens described.--An alien is described in this paragraph if the alien--
(A) died as a direct result of a specified terrorist activity; and
(B) on the day before such death, was--
(i) an alien lawfully admitted for permanent residence in the United States by reason of having been allotted a visa under section 203(b) of the Immigration and Nationality Act (8 U.S.C. 1153(b)); or
(ii) an applicant for adjustment of status to that of an alien described in clause (i), and admissible to the United States for permanent residence.

(d) Waiver of Public Charge Grounds.--In determining the admissibility of any alien accorded an immigration benefit under this section, the grounds for inadmissibility specified in section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) shall not apply.

SEC. 424. `AGE-OUT' PROTECTION FOR CHILDREN.

For purposes of the administration of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), in the case of an alien--
(1) whose 21st birthday occurs in September 2001, and who is the beneficiary of a petition or application filed under such Act on or before September 11, 2001, the alien shall be considered to be a child for 90 days after the alien's 21st
birthday for purposes of adjudicating such petition or application; and
(2) whose 21st birthday occurs after September 2001, and who
is the beneficiary of a petition or application filed under such
Act on or before September 11, 2001, the alien shall be
considered to be a child for 45 days after the alien's 21st
birthday for purposes of adjudicating such petition or
application.

SEC. 425. TEMPORARY ADMINISTRATIVE RELIEF.

The Attorney General, for humanitarian purposes or to ensure family
unity, may provide temporary administrative relief to any alien who--
(1) was lawfully present in the United States on September
10, 2001;
(2) was on such date the spouse, parent, or child of an
individual who died or was disabled as a direct result of a
specified terrorist activity; and
(3) is not otherwise entitled to relief under any other
 provision of this subtitle.

SEC. 426. EVIDENCE OF DEATH, DISABILITY, OR LOSS OF EMPLOYMENT.

(a) In General.--The Attorney General shall establish appropriate
 standards for evidence demonstrating, for purposes of this subtitle,
 that any of the following occurred as a direct result of a specified
 terrorist activity:
(1) Death.
(2) Disability.
(3) Loss of employment due to physical damage to, or
destruction of, a business.

(b) Waiver of Regulations.--The Attorney General shall carry out
subsection (a) as expeditiously as possible. The Attorney General
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is not required to promulgate regulations prior to implementing this
subtitle.

SEC. 427. NO BENEFITS TO TERRORISTS OR FAMILY MEMBERS OF TERRORISTS.

Notwithstanding any other provision of this subtitle, nothing in
this subtitle shall be construed to provide any benefit or relief to--
(1) any individual culpable for a specified terrorist
activity; or
(2) any family member of any individual described in
paragraph (1).

SEC. 428. DEFINITIONS.

(a) Application of Immigration and Nationality Act Provisions.--
Except as otherwise specifically provided in this subtitle, the
definitions used in the Immigration and Nationality Act (excluding the
definitions applicable exclusively to title III of such Act) shall apply
in the administration of this subtitle.

(b) Specified Terrorist Activity.--For purposes of this subtitle,
the term "specified terrorist activity" means any terrorist activity
conducted against the Government or the people of the United States on
TITLE V--REMOVING OBSTACLES TO INVESTIGATING TERRORISM

SEC. 501. ATTORNEY GENERAL'S AUTHORITY TO PAY REWARDS TO COMBAT TERRORISM.

(a) Payment of Rewards To Combat Terrorism.--Funds available to the Attorney General may be used for the payment of rewards pursuant to public advertisements for assistance to the Department of Justice to combat terrorism and defend the Nation against terrorist acts, in accordance with procedures and regulations established or issued by the Attorney General.

(b) Conditions.--In making rewards under this section--

(1) no such reward of $250,000 or more may be made or offered without the personal approval of either the Attorney General or the President;

(2) the Attorney General shall give written notice to the Chairmen and ranking minority members of the Committees on Appropriations and the Judiciary of the Senate and of the House of Representatives not later than 30 days after the approval of a reward under paragraph (1);

(3) any executive agency or military department (as defined, respectively, in sections 105 and 102 of title 5, United States Code) may provide the Attorney General with funds for the payment of rewards;

(4) neither the failure of the Attorney General to authorize a payment nor the amount authorized shall be subject to judicial review; and

(5) no such reward shall be subject to any per- or aggregate reward spending limitation established by law, unless that law expressly refers to this section, and no reward paid pursuant to any such offer shall count toward any such aggregate reward spending limitation.

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SEC. 502. SECRETARY OF STATE'S AUTHORITY TO PAY REWARDS.

Section 36 of the State Department Basic Authorities Act of 1956 (Public Law 885, August 1, 1956; 22 U.S.C. 2708) is amended--

(1) in subsection (b)--

(A) in paragraph (4), by striking `or'' at the end;

(B) in paragraph (5), by striking the period at the end and inserting ``, including by dismantling an organization in whole or significant part; or''; and

(C) by adding at the end the following:

``(6) the identification or location of an individual who holds a key leadership position in a terrorist organization.'';

(2) in subsection (d), by striking paragraphs (2) and (3) and redesignating paragraph (4) as paragraph (2); and

(3) in subsection (e)(1), by inserting ``, except as personally authorized by the Secretary of State if he determines that offer or payment of an award of a larger amount is necessary to combat terrorism or defend the Nation against terrorist acts.''' after ``$5,000,000''.

SEC. 503. DNA IDENTIFICATION OF TERRORISTS AND OTHER VIOLENT OFFENDERS.

Section 3(d)(2) of the DNA Analysis Backlog Elimination Act of 2000 (42 U.S.C. 14135a(d)(2)) is amended to read as follows:
In addition to the offenses described in paragraph (1), the following offenses shall be treated for purposes of this section as qualifying Federal offenses, as determined by the Attorney General:

(A) Any offense listed in section 2332b(g)(5)(B) of title 18, United States Code.
(B) Any crime of violence (as defined in section 16 of title 18, United States Code).
(C) Any attempt or conspiracy to commit any of the above offenses.''

SEC. 504. COORDINATION WITH LAW ENFORCEMENT.

(a) Information Acquired From an Electronic Surveillance.--Section 106 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1806), is amended by adding at the end the following:

(k)(1) Federal officers who conduct electronic surveillance to acquire foreign intelligence information under this title may consult with Federal law enforcement officers to coordinate efforts to investigate or protect against--
(A) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;
(B) sabotage or international terrorism by a foreign power or an agent of a foreign power; or
(C) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power.

(2) Coordination authorized under paragraph (1) shall not preclude the certification required by section 104(a)(7)(B) or the entry of an order under section 105.''

(b) Information Acquired From a Physical Search.--Section 305 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1825) is amended by adding at the end the following:

(k)(1) Federal officers who conduct physical searches to acquire foreign intelligence information under this title may consult with Federal law enforcement officers to coordinate efforts to investigate or protect against--
(A) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;
(B) sabotage or international terrorism by a foreign power or an agent of a foreign power; or
(C) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power.

(2) Coordination authorized under paragraph (1) shall not preclude the certification required by section 303(a)(7) or the entry of an order under section 304.''

SEC. 505. MISCELLANEOUS NATIONAL SECURITY AUTHORITIES.

(a) Telephone Toll and Transactional Records.--Section 2709(b) of title 18, United States Code, is amended--

(1) in the matter preceding paragraph (1), by inserting "at Bureau headquarters or a Special Agent in Charge in a Bureau field office designated by the Director" after "Assistant"
Director'';
(2) in paragraph (1)--
   (A) by striking ``in a position not lower than Deputy Assistant Director''; and
   (B) by striking ``made that'' and all that follows and inserting the following: ``made that the name, address, length of service, and toll billing records sought are relevant to an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely on the basis of activities protected by the first amendment to the Constitution of the United States; and''; and
(3) in paragraph (2)--
   (A) by striking ``in a position not lower than Deputy Assistant Director''; and
   (B) by striking ``made that'' and all that follows and inserting the following: ``made that the information sought is relevant to an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''.

(1) by inserting ``in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge in a Bureau field office designated by the Director'' after ``designee''; and
(2) by striking ``sought'' and all that follows and inserting ``sought for foreign counter intelligence purposes to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''.

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person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''.

(c) Consumer Reports.--Section 624 of the Fair Credit Reporting Act (15 U.S.C. 1681u) is amended--
(1) in subsection (a)--
   (A) by inserting ``in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge in a Bureau field office designated by the Director'' after ``designee'' the first place it appears; and
   (B) by striking ``in writing that'' and all that follows through the end and inserting the following: ``in writing, that such information is sought for the conduct of an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted
solely upon the basis of activities protected by the first amendment to the Constitution of the United States.'

(2) in subsection (b)--
(A) by inserting ''in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge of a Bureau field office designated by the Director'' after ''designee'' the first place it appears; and
(B) by striking ''in writing that'' and all that follows through the end and inserting the following: ``in writing that such information is sought for the conduct of an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''; and

(3) in subsection (c)--
(A) by inserting ``in a position not lower than Deputy Assistant Director at Bureau headquarters or a Special Agent in Charge in a Bureau field office designated by the Director'' after ``designee of the Director''; and
(B) by striking ''in camera that'' and all that follows through ''States.''' and inserting the following: ``in camera that the consumer report is sought for the conduct of an authorized investigation to protect against international terrorism or clandestine intelligence activities, provided that such an investigation of a United States person is not conducted solely upon the basis of activities protected by the first amendment to the Constitution of the United States.''.

SEC. 506. EXTENSION OF SECRET SERVICE JURISDICTION.

(a) Concurrent Jurisdiction Under 18 U.S.C. 1030.--Section 1030(d) of title 18, United States Code, is amended to read as follows:
``(d) The United States Secret Service shall, in addition to any other agency having such authority, have the authority to investigate offenses under this section.

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``(2) The Federal Bureau of Investigation shall have primary authority to investigate offenses under subsection (a)(1) for any cases involving espionage, foreign counterintelligence, information protected against unauthorized disclosure for reasons of national defense or foreign relations, or Restricted Data (as that term is defined in section 11y of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)), except for offenses affecting the duties of the United States Secret Service pursuant to section 3056(a) of this title.
``(3) Such authority shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury and the Attorney General.''.

(b) Reauthorization of Jurisdiction under 18 U.S.C. 1344.--Section 3056(b)(3) of title 18, United States Code, is amended by striking ``credit and debit card frauds, and false identification documents or
devices' and inserting `access device frauds, false identification documents or devices, and any fraud or other criminal or unlawful activity in or against any federally insured financial institution'.

SEC. 507. DISCLOSURE OF EDUCATIONAL RECORDS.

Section 444 of the General Education Provisions Act (20 U.S.C. 1232g), is amended by adding after subsection (i) a new subsection (j) to read as follows:

`'(j) Investigation and Prosecution of Terrorism.--

'(1) In general.—Notwithstanding subsections (a) through (i) or any provision of State law, the Attorney General (or any Federal officer or employee, in a position not lower than an Assistant Attorney General, designated by the Attorney General) may submit a written application to a court of competent jurisdiction for an ex parte order requiring an educational agency or institution to permit the Attorney General (or his designee) to—

``(A) collect education records in the possession of the educational agency or institution that are relevant to an authorized investigation or prosecution of an offense listed in section 2332b(g)(5)(B) of title 18 United States Code, or an act of domestic or international terrorism as defined in section 2331 of that title; and

``(B) for official purposes related to the investigation or prosecution of an offense described in paragraph (1)(A), retain, disseminate, and use (including as evidence at trial or in other administrative or judicial proceedings) such records, consistent with such guidelines as the Attorney General, after consultation with the Secretary, shall issue to protect confidentiality.

'(2) Application and approval.—

``(A) In general.—An application under paragraph (1) shall certify that there are specific and articulable facts giving reason to believe that the education records are likely to contain information described in paragraph (1)(A).

``(B) The court shall issue an order described in paragraph (1) if the court finds that the application for the order includes the certification described in subparagraph (A).

'(3) Protection of educational agency or institution.—An educational agency or institution that, in good faith, produces education records in accordance with an order issued under this subsection shall not be liable to any person for that production.

'(4) Record-keeping.—Subsection (b)(4) does not apply to education records subject to a court order under this subsection.'

SEC. 508. DISCLOSURE OF INFORMATION FROM NCES SURVEYS.

Section 408 of the National Education Statistics Act of 1994 (20 U.S.C. 9007), is amended by adding after subsection (b) a new subsection (c) to read as follows:

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under this subsection shall not be liable to any person for that production.

'(4) Record-keeping.—Subsection (b)(4) does not apply to education records subject to a court order under this subsection.'
(c) Investigation and Prosecution of Terrorism.--

(1) In General.--Notwithstanding subsections (a) and (b), the Attorney General (or any Federal officer or employee, in a position not lower than an Assistant Attorney General, designated by the Attorney General) may submit a written application to a court of competent jurisdiction for an ex parte order requiring the Secretary to permit the Attorney General (or his designee) to--

(A) collect reports, records, and information (including individually identifiable information) in the possession of the center that are relevant to an authorized investigation or prosecution of an offense listed in section 2332b(g)(5)(B) of title 18, United States Code, or an act of domestic or international terrorism as defined in section 2331 of that title; and

(B) for official purposes related to the investigation or prosecution of an offense described in paragraph (1)(A), retain, disseminate, and use (including as evidence at trial or in other administrative or judicial proceedings) such information, consistent with such guidelines as the Attorney General, after consultation with the Secretary, shall issue to protect confidentiality.

(2) Application and approval.--

(A) In general.--An application under paragraph (1) shall certify that there are specific and articulable facts giving reason to believe that the information sought is described in paragraph (1)(A).

(B) The court shall issue an order described in paragraph (1) if the court finds that the application for the order includes the certification described in subparagraph (A).

(3) Protection.--An officer or employee of the Department who, in good faith, produces information in accordance with an order issued under this subsection does not violate subsection (b)(2) and shall not be liable to any person for that production.''

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TITLE VI--PROVIDING FOR VICTIMS OF TERRORISM, PUBLIC SAFETY OFFICERS, AND THEIR FAMILIES

Subtitle A--Aid to Families of Public Safety Officers

SEC. 611. EXPEDITED PAYMENT FOR PUBLIC SAFETY OFFICERS INVOLVED IN THE PREVENTION, INVESTIGATION, RESCUE, OR RECOVERY EFFORTS RELATED TO A TERRORIST ATTACK.

(a) In General.--Notwithstanding the limitations of subsection (b) of section 1201 or the provisions of subsections (c), (d), and (e) of such section or section 1202 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796, 3796a), upon certification (containing identification of all eligible payees of benefits pursuant to section 1201 of such Act) by a public agency that a public safety officer employed by such agency was killed or suffered a catastrophic injury producing permanent and total disability as a direct and proximate result of a personal injury sustained in the line of duty as described in section 1201 of such Act in connection with prevention,
investigation, rescue, or recovery efforts related to a terrorist attack, the Director of the Bureau of Justice Assistance shall authorize payment to qualified beneficiaries, said payment to be made not later than 30 days after receipt of such certification, benefits described under subpart 1 of part L of such Act (42 U.S.C. 3796 et seq.).

(b) Definitions.--For purposes of this section, the terms "catastrophic injury", "public agency", and "public safety officer" have the same meanings given such terms in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b).

SEC. 612. TECHNICAL CORRECTION WITH RESPECT TO EXPEDITED PAYMENTS FOR HEROIC PUBLIC SAFETY OFFICERS.

Section 1 of Public Law 107-37 (an Act to provide for the expedited payment of certain benefits for a public safety officer who was killed or suffered a catastrophic injury as a direct and proximate result of a personal injury sustained in the line of duty in connection <<NOTE: Ante, p. 219.>> with the terrorist attacks of September 11, 2001) is amended by--

(1) inserting before "by a" the following: "(containing identification of all eligible payees of benefits pursuant to section 1201)";
(2) inserting "producing permanent and total disability" after "suffered a catastrophic injury"; and
(3) striking "1201(a)" and inserting "1201".

SEC. 613. PUBLIC SAFETY OFFICERS BENEFIT PROGRAM PAYMENT INCREASE.

(a) Payments.--Section 1201(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796) is amended by striking "$100,000" and inserting "$250,000".

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(b) Applicability.--The <<NOTE: 42 USC 3796 note.>> amendment made by subsection (a) shall apply to any death or disability occurring on or after January 1, 2001.

SEC. 614. OFFICE OF JUSTICE PROGRAMS.

Section 112 of title I of section 101(b) of division A of Public Law 105-277 <<NOTE: 42 USC 3751 note.>> and section 108(a) of appendix A of Public Law 106-113 (113 Stat. 1501A-20) are amended--

(1) after "that Office", each place it occurs, by inserting "(including, notwithstanding any contrary provision of law (unless the same should expressly refer to this section), any organization that administers any program established in title 1 of Public Law 90-351)"; and
(2) by inserting "functions, including any" after "all".

Subtitle B--Amendments to the Victims of Crime Act of 1984

SEC. 621. CRIME VICTIMS Amendments to the Victims of Crime Act of 1984

(a) Deposit of Gifts in the Fund.--Section 1402(b) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(b)) is amended--

(1) in paragraph (3), by striking "and" at the end;
(2) in paragraph (4), by striking the period at the end and inserting "; and"; and
(3) by adding at the end the following:
``(5) any gifts, bequests, or donations to the Fund from private entities or individuals.''

(b) Formula for Fund Distributions.--Section 1402(c) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(c)) is amended to read as follows:
``(c) Fund Distribution; Retention of Sums in Fund; Availability for Expenditure Without Fiscal Year Limitation.--
``(1) Subject to the availability of money in the Fund, in each fiscal year, beginning with fiscal year 2003, the Director shall distribute not less than 90 percent nor more than 110 percent of the amount distributed from the Fund in the previous fiscal year, except the Director may distribute up to 120 percent of the amount distributed in the previous fiscal year in any fiscal year that the total amount available in the Fund is more than 2 times the amount distributed in the previous fiscal year.
``(2) In each fiscal year, the Director shall distribute amounts from the Fund in accordance with subsection (d). All sums not distributed during a fiscal year shall remain in reserve in the Fund to be distributed during a subsequent fiscal year. Notwithstanding any other provision of law, all sums deposited in the Fund that are not distributed shall remain in reserve in the Fund for obligation in future fiscal years, without fiscal year limitation.''

(c) Allocation of Funds for Costs and Grants.--Section 1402(d)(4) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(d)(4)) is amended--
(1) by striking ``deposited in'' and inserting ``to be distributed from'';
(2) in subparagraph (A), by striking ``48.5'' and inserting ``47.5'';
(3) in subparagraph (B), by striking ``48.5'' and inserting ``47.5''; and
(4) in subparagraph (C), by striking ``3'' and inserting ``5''.
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(d) Antiterrorism Emergency Reserve.--Section 1402(d)(5) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(d)(5)) is amended to read as follows:
``(5)(A) In addition to the amounts distributed under paragraphs (2), (3), and (4), the Director may set aside up to $50,000,000 from the amounts transferred to the Fund in response to the airplane hijackings and terrorist acts that occurred on September 11, 2001, as an antiterrorism emergency reserve. The Director may replenish any amounts expended from such reserve in subsequent fiscal years by setting aside up to 5 percent of the amounts remaining in the Fund in any fiscal year after distributing amounts under paragraphs (2), (3) and (4). Such reserve shall not exceed $50,000,000.
``(B) The antiterrorism emergency reserve referred to in subparagraph (A) may be used for supplemental grants under section 1404B and to provide compensation to victims of international terrorism under section 1404C.
``(C) Amounts in the antiterrorism emergency reserve established pursuant to subparagraph (A) may be carried over from fiscal year to fiscal year. Notwithstanding subsection (c)
and section 619 of the Departments of Commerce, Justice, and 
State, the Judiciary, and Related Agencies Appropriations Act, 
2001 (and any similar limitation on Fund obligations in any 
future Act, unless the same should expressly refer to this 
section), any such amounts carried over shall not be subject to 
any limitation on obligations from amounts deposited to or 
available in the Fund.''.

(e) Victims <<NOTE: 42 USC 10601 note.>> of September 11, 2001.-- 
Amounts transferred to the Crime Victims Fund for use in responding to 
the airplane hijackings and terrorist acts (including any related 
search, rescue, relief, assistance, or other similar activities) that 
occurred on September 11, 2001, shall not be subject to any limitation 
on obligations from amounts deposited to or available in the Fund, 
notwithstanding--

(1) section 619 of the Departments of Commerce, Justice, and 
State, the Judiciary, and Related Agencies Appropriations Act, 
2001, and any similar limitation on Fund obligations in such Act 
for Fiscal Year 2002; and
(2) subsections (c) and (d) of section 1402 of the Victims 

SEC. 622. CRIME VICTIM COMPENSATION.

(a) Allocation of Funds for Compensation and Assistance.--Paragraphs 
(1) and (2) of section 1403(a) of the Victims of Crime Act of 1984 (42 
U.S.C. 10602(a)) are amended by inserting ``in fiscal year 2002 and of 
60 percent in subsequent fiscal years'' after ``40 percent''.

(b) Location of Compensable Crime.--Section 1403(b)(6)(B) of the 
Victims of Crime Act of 1984 (42 U.S.C. 10602(b)(6)(B)) is amended by 
striking ``are outside the United States (if the compensable crime is 
terrorism, as defined in section 2331 of title 18), or''.

(c) Relationship of Crime Victim Compensation to Means-Tested 
Federal Benefit Programs.--Section 1403 of the Victims 

of Crime Act of 1984 (42 U.S.C. 10602) is amended by striking subsection 
(c) and inserting the following:
``(c) Exclusion From Income, Resources, and Assets for Purposes of 
Means Tests.--Notwithstanding any other law (other than title IV of 
Public Law 107-42), for the purpose of any maximum allowed income, 
resource, or asset eligibility requirement in any Federal, State, or 
local government program using Federal funds that provides medical or 
other assistance (or payment or reimbursement of the cost of such 
assistance), any amount of crime victim compensation that the applicant 
receives through a crime victim compensation program under this section 
shall not be included in the income, resources, or assets of the 
applicant, nor shall that amount reduce the amount of the assistance 
available to the applicant from Federal, State, or local government 
programs using Federal funds, unless the total amount of assistance that 
the applicant receives from all such programs is sufficient to fully 
compensate the applicant for losses suffered as a result of the 
crime.''.

(d) Definitions of `Compensable Crime' and `State'.--Section 
1403(d) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)) is 
amended--

(1) in paragraph (3), by striking ``crimes involving 
terrorism,''; and
(2) in paragraph (4), by inserting ``the United States
Virgin Islands,'" after `the Commonwealth of Puerto Rico,'".

(e) Relationship of Eligible Crime Victim Compensation Programs to the September 11th Victim Compensation Fund.--

(1) In general.--Section 1403(e) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(e)) is amended by inserting `including the program established under title IV of Public Law 107-42,'" after `Federal program,'".

(2) Compensation.--With <<NOTE: 49 USC 40101 note.>> respect to any compensation payable under title IV of Public Law 107-42, the failure of a crime victim compensation program, after the effective date of final regulations issued pursuant to section 407 of Public Law 107-42, to provide compensation otherwise required pursuant to section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) shall not render that program ineligible for future grants under the Victims of Crime Act of 1984.

SEC. 623. CRIME VICTIM ASSISTANCE.

(a) Assistance for Victims in the District of Columbia, Puerto Rico, and Other Territories and Possessions.--Section 1404(a) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)) is amended by adding at the end the following:

``(6) An agency of the Federal Government performing local law enforcement functions in and on behalf of the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, or any other territory or possession of the United States may qualify as an eligible crime victim assistance program for the purpose of grants under this subsection, or for the purpose of grants under subsection (c)(1).''

(b) Prohibition on Discrimination Against Certain Victims.--Section 1404(b)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(b)(1)) is amended--

(1) in subparagraph (D), by striking `"and'" at the end;

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(2) in subparagraph (E), by striking the period at the end and inserting `"; and'"; and

(3) by adding at the end the following:

``(F) does not discriminate against victims because they disagree with the way the State is prosecuting the criminal case.''.

(c) Grants for Program Evaluation and Compliance Efforts.--Section 1404(c)(1)(A) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)(1)(A)) is amended by inserting `"program evaluation, compliance efforts,'" after `"demonstration projects'".

(d) Allocation of Discretionary Grants.--Section 1404(c)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)(2)) is amended--

(1) in subparagraph (A), by striking `"not more than'" and inserting `"not less than'"; and

(2) in subparagraph (B), by striking `"not less than'" and inserting `"not more than'".

(e) Fellowships and Clinical Internships.--Section 1404(c)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)(3)) is amended--

(1) in subparagraph (C), by striking `"and'" at the end;

(2) in subparagraph (D), by striking the period at the end;
and inserting `; and''; and
(3) by adding at the end the following:
``(E) use funds made available to the Director under
this subsection--
``(i) for fellowships and clinical
internships; and
``(ii) to carry out programs of training and
special workshops for the presentation and
dissemination of information resulting from
demonstrations, surveys, and special projects.''.

SEC. 624. VICTIMS OF TERRORISM.

(a) Compensation and Assistance to Victims of Domestic Terrorism.--
Section 1404B(b) of the Victims of Crime Act of 1984 (42 U.S.C.
10603b(b)) is amended to read as follows:
``(b) Victims of Terrorism Within the United States.--The Director
may make supplemental grants as provided in section 1402(d)(5) to States
for eligible crime victim compensation and assistance programs, and to
victim service organizations, public agencies (including Federal, State,
or local governments) and nongovernmental organizations that provide
assistance to victims of crime, which shall be used to provide emergency
relief, including crisis response efforts, assistance, compensation,
training and technical assistance, and ongoing assistance, including
during any investigation or prosecution, to victims of terrorist acts or
mass violence occurring within the United States.''.

(b) Assistance to Victims of International Terrorism.--Section
is amended by striking `who are not persons eligible for compensation
under title VIII of the Omnibus Diplomatic Security and Antiterrorism
Act of 1986''.

(c) Compensation to Victims of International Terrorism.--Section
1404C(b) of the Victims of Crime of 1984 (42 U.S.C. 10603c(b)) is
amended by adding at the end the following: ``The amount of compensation
awarded to a victim under this subsection
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shall be reduced by any amount that the victim received in connection
with the same act of international terrorism under title VIII of the
Omnibus Diplomatic Security and Antiterrorism Act of 1986.''.

TITLE VII--INCREASED INFORMATION SHARING FOR CRITICAL INFRASTRUCTURE
PROTECTION

SEC. 701. EXPANSION OF REGIONAL INFORMATION SHARING SYSTEM TO FACILITATE
FEDERAL-STATE-LOCAL LAW ENFORCEMENT RESPONSE RELATED TO
TERRORIST ATTACKS.

Section 1301 of title I of the Omnibus Crime Control and Safe
Streets Act of 1968 (42 U.S.C. 3796h) is amended--
(1) in subsection (a), by inserting `and terrorist
conspiracies and activities'' after `activities'';
(2) in subsection (b)--
(A) in paragraph (3), by striking `and'' after the
semicolon;
(B) by redesignating paragraph (4) as paragraph (5);
and
(C) by inserting after paragraph (3) the following:
``(4) establishing and operating secure information sharing
systems to enhance the investigation and prosecution abilities of participating enforcement agencies in addressing multi-jurisdictional terrorist conspiracies and activities; and (5)''; and

(3) by inserting at the end the following:

``
(d) Authorization of Appropriation to the Bureau of Justice Assistance.--There are authorized to be appropriated to the Bureau of Justice Assistance to carry out this section $50,000,000 for fiscal year 2002 and $100,000,000 for fiscal year 2003.''.

TITLE VIII--STRENGTHENING THE CRIMINAL LAWS AGAINST TERRORISM

SEC. 801. TERRORIST ATTACKS AND OTHER ACTS OF VIOLENCE AGAINST MASS TRANSPORTATION SYSTEMS.

Chapter 97 of title 18, United States Code, is amended by adding at the end the following:

``Sec. 1993. Terrorist attacks and other acts of violence against mass transportation systems

``(a) General Prohibitions.--Whoever willfully--
``(1) wrecks, derails, sets fire to, or disables a mass transportation vehicle or ferry;
``(2) places or causes to be placed any biological agent or toxin for use as a weapon, destructive substance, or destructive device in, upon, or near a mass transportation vehicle or ferry, without previously obtaining the permission of the mass transportation provider, and with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;
``(3) sets fire to, or places any biological agent or toxin for use as a weapon, destructive substance, or destructive device in, upon, or near any garage, terminal, structure, supply, or facility used in the operation of, or in support of the operation of, a mass transportation vehicle or ferry, without previously obtaining the permission of the mass transportation provider, and knowing or having reason to know such activity would likely derail, disable, or wreck a mass transportation vehicle or ferry used, operated, or employed by the mass transportation provider;
``(4) removes appurtenances from, damages, or otherwise impairs the operation of a mass transportation signal system, including a train control system, centralized dispatching system, or rail grade crossing warning signal without authorization from the mass transportation provider;
``(5) interferes with, disables, or incapacitates any dispatcher, driver, captain, or person while they are employed in dispatching, operating, or maintaining a mass transportation vehicle or ferry, with intent to endanger the safety of any passenger or employee of the mass transportation provider, or with a reckless disregard for the safety of human life;
``(6) commits an act, including the use of a dangerous weapon, with the intent to cause death or serious bodily injury

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to an employee or passenger of a mass transportation provider or any other person while any of the foregoing are on the property of a mass transportation provider;

``(7) conveys or causes to be conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this subsection; or

``(8) attempts, threatens, or conspires to do any of the aforesaid acts,

shall be fined under this title or imprisoned not more than twenty years, or both, if such act is committed, or in the case of a threat or conspiracy such act would be committed, on, against, or affecting a mass transportation provider engaged in or affecting interstate or foreign commerce, or if in the course of committing such act, that person travels or communicates across a State line in order to commit such act, or transports materials across a State line in aid of the commission of such act.

``(b) Aggravated Offense.--Whoever commits an offense under subsection (a) in a circumstance in which--

``(1) the mass transportation vehicle or ferry was carrying a passenger at the time of the offense; or

``(2) the offense has resulted in the death of any person,

shall be guilty of an aggravated form of the offense and shall be fined under this title or imprisoned for a term of years or for life, or both.

``(c) Definitions.--In this section--

``(1) the term `biological agent' has the meaning given to that term in section 178(1) of this title;

``(2) the term `dangerous weapon' has the meaning given to that term in section 930 of this title;

``(3) the term `destructive device' has the meaning given to that term in section 921(a)(4) of this title;

``(4) the term `destructive substance' has the meaning given to that term in section 31 of this title;

``(5) the term `mass transportation' has the meaning given to that term in section 5302(a)(7) of title 49, United States Code, except that the term shall include schoolbus, charter, and sightseeing transportation;

``(6) the term `serious bodily injury' has the meaning given to that term in section 1365 of this title;

``(7) the term `State' has the meaning given to that term in section 2266 of this title; and

``(8) the term `toxin' has the meaning given to that term in section 178(2) of this title.''.

(f) Conforming Amendment.--The analysis of chapter 97 of title 18, United States Code, is amended by adding at the end:

``1993. Terrorist attacks and other acts of violence against mass transportation systems.''.

SEC. 802. DEFINITION OF DOMESTIC TERRORISM.

(a) Domestic Terrorism Defined.--Section 2331 of title 18, United States Code, is amended--

(1) in paragraph (1)(B)(iii), by striking `by assassination
or kidnapping'" and inserting `by mass destruction, assassination, or kidnapping';
(2) in paragraph (3), by striking `and';
(3) in paragraph (4), by striking the period at the end and inserting `; and'; and
(4) by adding at the end the following:
``(5) the term `domestic terrorism' means activities that--
``(A) involve acts dangerous to human life that are a violation of the criminal laws of the United States or of any State;
``(B) appear to be intended--
``(i) to intimidate or coerce a civilian population;
``(ii) to influence the policy of a government by intimidation or coercion; or
``(iii) to affect the conduct of a government by mass destruction, assassination, or kidnapping; and
``(C) occur primarily within the territorial jurisdiction of the United States.''.

(b) Conforming Amendment.--Section 3077(1) of title 18, United States Code, is amended to read as follows:
``(1) `act of terrorism' means an act of domestic or international terrorism as defined in section 2331;''.

SEC. 803. PROHIBITION AGAINST HARBORING TERRORISTS.

(a) In General.--Chapter 113B of title 18, United States Code, is amended by adding after section 2338 the following new section:
``Sec. 2339. Harboring or concealing terrorists
``(a) Whoever harbors or conceals any person who he knows, or has reasonable grounds to believe, has committed, or is about to commit, an offense under section 32 (relating to destruction of aircraft or aircraft facilities), section 175 (relating to biological weapons), section 229 (relating to chemical weapons), section 831 (relating to nuclear materials), paragraph (2) or (3) of section 844(f) (relating to arson and bombing of government property risking or causing injury or death), section 1366(a) (relating to the destruction of an energy facility), section 2280 (relating to violence against maritime navigation), section 2332a (relating to weapons of mass destruction), or section 2332b (relating to acts of terrorism transcending national boundaries) of this title, section 236(a) (relating to sabotage of nuclear facilities or fuel) of the Atomic Energy Act of 1954 (42 U.S.C. 2284(a)), or section 46502 (relating to aircraft piracy) of title 49, shall be fined under this title or imprisoned not more than ten years, or both.''.
``(b) A violation of this section may be prosecuted in any Federal judicial district in which the underlying offense was