

HOUSE BILL REPORT

ESSB 5318

*As Reported By House Committee on:
Financial Institutions & Insurance*

Title: An act relating to money laundering.

Brief Description: Prescribing penalties for money laundering.

Sponsor(s): Senate Committee on Financial Institutions & Insurance.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, April 5, 1991, DPA.

**HOUSE COMMITTEE ON
FINANCIAL INSTITUTIONS & INSURANCE**

Majority Report: *Do pass as amended.* Signed by 11 members: Representatives Dellwo, Chair; Zellinsky, Vice Chair; Broback, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Anderson; Inslee; R. Johnson; R. Meyers; Paris; Schmidt; and Winsley.

Staff: John Conniff (786-7119).

Background: Money laundering can briefly be described as the process by which a person manipulates the proceeds of some form of unlawful activity in order to conceal their criminal origin and make the proceeds appear legitimate. The actual process of money laundering can take place in a wide variety of ways.

The federal government has adopted several measures designed to combat money laundering. In 1986, Congress made the act of "laundering of monetary instruments" a federal crime. Congress also has adopted the Bank Secrecy Act which, in part, requires financial institutions to file a Currency Transaction Report (CTR) for cash transactions which exceed \$10,000 and to maintain certain records and procedures for the purpose of ensuring compliance with the act. In addition, the Internal Revenue Code requires certain businesses that accept over \$10,000 in a cash transaction to file a report.

Ten states have made money laundering a crime within their state criminal codes, and some states have also adopted their own reporting requirements to enhance law enforcement efforts.

Summary of Amended Bill: A joint select committee on money laundering shall study criminal money laundering activity and report its findings, and any recommended legislation, to the Legislature on or before December 31, 1991.

Amended Bill Compared to Substitute Bill: The substantive provisions of the bill are replaced with a study.

Fiscal Note: Not requested.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Witnesses: None.