



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

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President Signs Anti-Terrorist Financing Legislation

Today, President Bush approved a broad anti-terrorism package that includes the anti-money laundering legislation authored by Chairman Michael G. Oxley (OH) and overwhelmingly approved by the House of Representatives on October 24. Oxley attended the signing ceremony at the White House this morning.

"The President's signature this afternoon may have been the final step in the legislative process, but it's an important first step toward ridding this country of the scourge of terrorism," Oxley said. "This bill tightens the noose on those responsible for terrorist acts against America."

The USA Patriot Act of 2001 includes anti-money laundering provisions making bulk cash smuggling a crime and requiring registration of black market underground financial networks. It modernizes anti-counterfeiting laws to keep pace with the digital age and prohibits U.S. financial institutions from providing financial services to foreign "shell" banks.

A new public-private partnership will be formed to help law enforcement identify, track, and stop terrorists' financial activity. Suspicious financial activity will be reported in real time to law enforcement agencies. Broker-dealers will also be required to report suspicious activity.

Financial institutions will be required to verify the identity of their new account holders, and, through regulation, customers will be required to provide financial institutions with truthful information when opening accounts.

All financial institutions will be required to institute anti-money laundering compliance programs and increased attention will be paid to so called "correspondent" accounts, which are bank-to-bank accounts crossing international borders.

Original cosponsors of the legislation were: Reps. John LaFalce, James Leach, Carolyn Maloney, Marge Roukema, Ken Bentsen, Darlene Hooley, Doug Bereuter, Richard Baker, Spencer Bachus, Peter King, Sue Kelly, Paul Gillmor, Eric Cantor, Bob Riley, Steven LaTourette, Mark Green, and Felix Grucci.

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