

enforcement officials to, in fact, enforce our laws at the State and at the national level.

Ms. WATERS. Mr. Speaker, I rise in strong support of H.R. 4005, the Money Laundering Deterrence Act of 1998. I would like to thank Chairman LEACH, Ranking Member LAFALCE and Representatives ROUKEMA and VENTO for their efforts to bring this bill to the floor.

This tough bi-partisan bill reflects a new willingness by Congress to get tough on drug money laundering. The illegal drug trade is one of the world's largest industries, with annual revenues of more than \$500 billion a year worldwide, eclipsing even the revenues generated from the production of oil and gas. But the illegal drug trade would come to a screeching halt tomorrow without the ability to launder drug profits through financial institutions globally. By making our money laundering laws tougher and closing up the loopholes this legislation is an important step in putting an end to the ability of the cartels use to profit from their terrible trade.

Now the need for tougher money laundering is clearer than ever. We only need to look at the massive money laundering, murder and drug trafficking case involving Raul Salinas de Gotari, former Mexican cabinet minister and brother of Mexican President Carlos Salinas de Gotari. This case highlights allegations of the use of Citibank/Citicorp's private bank system by Salinas and other drug traffickers in laundering at least \$130 million dollars in drug proceeds.

Citibank's private banker, Amy Elliot was central to the allegations. Ms. Elliot set up an elaborate and secretive system for Salinas to get his money that was banked in Mexico out of the country, and into offshore and Swiss bank accounts. Ms. Elliott used Citibank's concentration accounts to transfer hundreds of millions of Salinas' proceeds. The concentration accounts acted to effectively cut off the paper trail of Salinas' money, making it next to impossible for law enforcement agencies to track the drug money. With Ms. Elliot's skillful assistance, the former President's borther is suspected of laundering hundreds of millions of dollars in drug proceeds.

Two weeks ago, the New York Times and the Wall Street Journal reported that the Swiss Attorney General's office has completed a 369 page report on this case that asserts among other damaging allegations that "[w]hen Carlos Salinas de Gotari became President of Mexico in 1988, Raul Salinas de Gortari assumed control over practically all drug shipments through Mexico. Through his influence and bribes paid with drug money, officials of the army and the police supported and protected the flourishing drug business."

This is simply one of many cases that point to the need for comprehensive money laundering legislation. The Money Laundering Deterrence Act of 1998 is a very good first step.

I offered a number of amendments to the bill in Committee to focus attention on the "private banking" system and the dangers of its abuse by major money launderers, drug cartels and organized crime syndicates.

I also amended the bill by calling for tougher enforcement of our nation's money laundering laws and closer scrutiny of our domestic financial institutions. These amendments added important weapons in the battle against major money laundering operations.

My amendments strengthen H.R. 4005 by:

Requiring the Secretary of the Treasury to submit to the House and Senate Banking Committees a report on the "private banking" system;

Prohibiting banks from maintaining accounts that prevent the name and account number of a customer from being associated with the account activity of an account holder. This would outlaw certain concentration accounts in use by banks, if they can be used to effectively hide the identity of the account holder;

Requiring the Secretary of the Treasury to issue "Know Your Customer" regulations within 120 days from the date of enactment of the Act; and

Identifying areas outside the United States where money laundering is concentrated and increasing penalties for violations of United States money laundering laws associated with activities in these identified countries.

I am pleased we are moving forward in the pursuit of the money laundering kingpins who are at the center of the half a trillion dollar annual drug trade and I ask my colleagues to support this important legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I have no further requests for times, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 4005, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend titles 18 and 31, United States Code, to improve methods for preventing money laundering and other financial crimes, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4005, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MONEY LAUNDERING AND FINANCIAL CRIMES STRATEGY ACT OF 1998

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1756) to amend chapter 53 of title 31, United States Code, to require the development and implementation by the Secretary of the Treasury of a national money laundering and related financial crimes strategy to combat money laundering and related financial crimes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Money Laundering and Financial Crimes Strategy Act of 1998".

SEC. 2. MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.

(a) IN GENERAL.—Chapter 53 of title 31, United States Code is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—MONEY LAUNDERING AND RELATED FINANCIAL CRIMES

"§ 5340. Definitions

"For purposes of this subchapter, the following definitions shall apply:

"(1) DEPARTMENT OF THE TREASURY LAW ENFORCEMENT ORGANIZATIONS.—The term 'Department of the Treasury law enforcement organizations' has the meaning given to such term in section 9703(p)(1).

"(2) MONEY LAUNDERING AND RELATED FINANCIAL CRIME.—The term 'money laundering and related financial crime' means an offense under subchapter II of this chapter, chapter II of title I of Public Law 91-508 (12 U.S.C. 1951, et seq.; commonly referred to as the 'Bank Secrecy Act'), or section 1956, 1957, or 1960 of title 18 or any related Federal, State, or local criminal offense.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(4) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

"PART 1—NATIONAL MONEY LAUNDERING AND RELATED FINANCIAL CRIMES STRATEGY

"§ 5341. National money laundering and related financial crimes strategy

"(a) DEVELOPMENT AND TRANSMITTAL TO CONGRESS.—

"(1) DEVELOPMENT.—The President, acting through the Secretary and in consultation with the Attorney General, shall develop a national strategy for combating money laundering and related financial crimes.

"(2) TRANSMITTAL TO CONGRESS.—By February 1 of 1999, 2000, 2001, 2002, and 2003, the President shall submit a national strategy developed in accordance with paragraph (1) to the Congress.

"(3) SEPARATE PRESENTATION OF CLASSIFIED MATERIAL.—Any part of the strategy that involves information which is properly classified under criteria established by Executive Order shall be submitted to the Congress separately in classified form.

"(b) DEVELOPMENT OF STRATEGY.—The national strategy for combating money laundering and related financial crimes shall address any area the President, acting through the Secretary and in consultation with the Attorney General, considers appropriate, including the following:

"(1) GOALS, OBJECTIVES, AND PRIORITIES.—Comprehensive, research-based goals, objectives, and priorities for reducing money laundering and related financial crime in the United States.

"(2) PREVENTION.—Coordination of regulatory and other efforts to prevent the exploitation of financial systems in the United States for money laundering and related financial crimes, including a requirement that the Secretary shall—

"(A) regularly review enforcement efforts under this subchapter and other provisions of law and, when appropriate, modify existing regulations or prescribe new regulations for purposes of preventing such criminal activity; and

"(B) coordinate prevention efforts and other enforcement action with the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Federal Trade Commission, other Federal banking agencies, the National Credit Union Administration Board, and such other