



House Dems push for tough rules against money laundering

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House Democrats are looking to make it easier for regulators to go after money launderers with new legislation.

Rep. Maxine Waters (D-Calif.) unveiled a bill Thursday that would update existing laundering laws to give the government more power to go after parties that look to clean money from illicit sources. Waters is the top Democrat on the House Financial Services Committee.

“The Justice Department and federal agencies have levied a number of record-breaking fines against these banks, but not a single individual has been held accountable,” she said in a statement. “And yet thousands of men and women ... remain in prison today for drug offenses far less serious than the banks that allowed hundreds of millions in drug proceeds to flow through the U.S. economy. My bill, in part, seeks to correct that injustice by making it easier to go after unscrupulous bankers and mandating punishments as strict as those the imposed on the drug dealers themselves.”

At the same time, Rep. Carolyn Maloney (D-N.Y.), who heads a subcommittee under Waters, introduced a bill that would crack down on opaque shell companies and require firms to identify the actual owners of a corporation when it is created.

Lawmakers in both parties have griped about what they see as a light touch from regulators. For example, watchdogs were grilled in March by members of the Senate Banking Committee after the government assessed a \$1.9 billion fine against HSBC for years of money laundering for Mexican drug cartels. The bank also violated U.S. sanctions by doing business with countries such as Iran, Libya and Cuba, but no criminal charges were filed in the matter.

Waters said her bill would make it easier for the government to pursue criminal cases against those involved in money laundering. The bill raises the cap on maximum sentences for those found willfully violating money laundering law and would force the Justice Department to explain to Congress when it opts to pursue a financial settlement instead of criminal charges.

Financial regulators would also be required to make regular reports to Congress and fellow watchdogs on any money laundering issues. The bill would also modernize whistle-blower

protections and increase rewards for informants that provide information leading to money laundering charges.