



REPRESENTATIVE JAMES E. VALLEE
MAJORITY LEADER

FOR IMMEDIATE RELEASE:

August 3, 2009

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VALLEE ANNOUNCES PUBLIC PROTECTION LEGISLATION

Joins Attorney General Martha Coakley to Combat Financial Crimes in the Commonwealth

BOSTON – Representative James E. Vallee (D-Franklin), Majority Leader of the Massachusetts House of Representatives, today announced he is the chief House sponsor of legislation aimed at public protection by combating and preventing money laundering and providing the tools necessary to investigate and mitigate illegal practices in the Commonwealth.

The legislation, filed by Vallee and the state’s chief lawyer and law enforcement officer, Attorney General Martha Coakley, addresses three specific issues: money laundering, enterprise crime, and wire interception.

“Money laundering is prohibited by federal law and in at least 28 states across the country,” said Vallee. “This bill brings Massachusetts into that group, making critical improvements to current law and making the clear statement to offenders that such illegal activity will be severely and appropriately punished.”

“As our economy has struggled in recent years, we have seen criminals engage in more sophisticated, organized, and often large-scale schemes to steal money or otherwise profit from

illegal conduct,” said Coakley. “Crimes such as money laundering and engaging in corrupt business enterprises are very difficult to prosecute at the state level because police and prosecutors simply do not have the necessary tools to investigate such crimes. Particularly as we explore the possibility of expanded gaming in the Commonwealth, it is critical that we have the statutory structure in place to address the types of financial crimes and corruption that may be associated with legalized gaming.”

The proposal makes money laundering activity illegal in Massachusetts and makes it a crime to knowingly:

- Engage in a financial transaction derived from criminal activity with the intent to promote, carry on, or facilitate criminal activity;
- Engage in a financial transaction derived from criminal activity knowing that the transaction is designed to conceal the property derived from criminal activity;
- Avoid any legal requirements regarding financial transaction reporting as set forth in the bill;
- Transport or possess a monetary instrument or other property that was derived from criminal activity; or
- Direct or control the transportation of or transactions in monetary instruments or other property derived from criminal activity.

Punishment for these crimes, as provided in the bill, range from a fine of up to \$250,000 or twice the value of the property transacted, and up to six years in state prison.

“Financial crimes, such as money laundering, seem to steadily increase during times of economic hardship or uncertainty,” said Vallee. “The dire economic backdrop against which this bill is presented makes its passage crucial. I look forward to working with Attorney General Coakley and my colleagues in the Legislature on this bill’s timely passage.”

This bill also provides the tools necessary to more efficiently combat organized crime, according to Vallee, with the following measures:

- Delineates certain crimes, such as murder, extortion, and kidnapping, as “criminal enterprise activities”
- Makes it a crime, through a pattern of criminal enterprise activity or through the collection of an unlawful debt, to knowingly receive proceeds derived from such activity; use the proceeds to establish, operate, or acquire any enterprise; and also makes it a crime to receive anything of value or acquire any interest in or control of any enterprise.

Punishment for these crimes, as outlined in the bill, include between five and 15 years in state prison, a fine of up to \$250,000, or both.

In addition to imposing stringent fines and imprisonment penalties on those found guilty of money laundering and enterprise crime—activities that have proven to be key to perpetuating illegal activities such as terrorism, narcotics trafficking, and other organized crime—this bill modernizes current wire interception law to reflect the technological advances our society has experienced since the law’s adoption in 1968.

The legislation updates current law by accounting for today’s technological advancements, such as the addition of a definition for an “electronic communication” and designates new crimes eligible for the use of a lawful wire interception so that criminal investigations can effectively keep pace with new technology. This proposal also doubles the length of time that a lawful interception can remain open from 15 to 30 days.

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