



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

February 20, 2024

**Testimony in SUPPORT of Criminal Law – Money Laundering**

**Summary:** In current Maryland Criminal Law, charges of money laundering can only be brought when that crime involves evidence of both monetary proceeds of at least \$10,000 and illegal drugs. HB 797 expands the authority of money laundering charges to be brought in crimes with proceeds over \$10,000 without the evidence of drugs. Furthermore, this bill keeps the current penalties for drug related offenses with proceeds over \$10,000, but also adds misdemeanor charges for those drug related offenses under \$10,000 if they involve fentanyl or any analogue of fentanyl, such as acetylfentanyl, butyrfentanyl, carfentanil, alfentanil, sufentanil, and remifentanil. This penalty allows law enforcement an additional tool to combat the opioid epidemic and specifically target the epidemic that is fentanyl-laced drugs as well as serve as a deterrent for producers to cut fentanyl into illegal drugs and for sellers to know if fentanyl is mixed into the drugs they are selling.

**Overview:** [Money laundering](#), concealing or disguising the origins of illegally obtained proceeds so that they appear to have originated from legitimate sources, is frequently a component of other serious crimes. Though the majority of money laundering charges are brought through federal law enforcement, [many states](#) have their own, specific laws.

In Maryland, money laundering is [tied only to drug related crimes](#) and cannot be charged if evidence of a drug crime is not present. This law was created in 1990 to combat the new and rapidly growing illicit drug problem in the state. It has not been updated since, taking into account the sophistication of organized crime, use of technology in hiding both drugs and profits, and the current scale of the illicit drug trade and other illegal enterprises.

Criminal organizations involved in the drug trade are very adept at keeping the drugs they produce and sell separate from the money they make from doing so. Therefore changing the requirement from money AND drugs to money OR drugs allows for law enforcement to prosecute large-scale operations on the bases of the evidence available.

In addition, allowing Maryland to prosecute criminals on money laundering charges for all illegal activity, opposed to only drug related illegal activity, such as is done in [New York](#), [Louisiana](#), and [federally](#), allows the state to further crack down on large scale bad actors across different types of crimes including, but not limited to fraud and financial crimes.

HB 797 also includes of a carve out for fentanyl-related crimes, allowing misdemeanor money laundering charges in cases under the \$10,000 threshold.

[Fentanyl](#), a synthetic opioid first developed for use during and after surgery as an anesthetic and painkiller, is increasingly being mixed in with other illicit drugs, including heroin, methamphetamine, and cocaine, to increase the potency of the drug and increasing the likelihood of a fatal interaction.

Fentanyl has become a [leading cause of death](#) in the United States and in Maryland since [data was first tracked in 2013](#). Nationally, the number of overdose deaths involving opioids, including prescription opioids, heroin, and synthetic opioids (like fentanyl), in 2021 was 10 times the number in 1999 [per the Center for Disease Control](#). Overdoses involving opioids killed more than 80,000 people in 2021, and nearly 88% of those deaths involved synthetic opioids. In Maryland, fentanyl and other synthetic opioids seriously contribute to the overall [overdose deaths](#) across the state.

Illegally made fentanyl, which is distributed through illegal drug markets for its heroin-like effect is often added to other drugs because of its extreme potency, making drugs [cheaper, more powerful, more addictive, and more dangerous](#). This edit to the law should serve as an added deterrent for smaller drug operations, both for producers to keep fentanyl out of their product and for sellers to know if fentanyl is in drugs that they sell, and potentially choose not to sell it.

**Conclusion:** Allowing law enforcement authority to add money laundering charges to a variety of illegal activity outside of drug crimes increases the state's ability to shut down large scale criminal activity across the state. Adding misdemeanor penalties for fentanyl-specific money laundering activities increases awareness of fentanyl and fentanyl laced drugs and adds additional legal consequences.

Overall, this act is aimed at cracking down on illegal activities and ensuring that those involved face appropriate consequences.

Thank you and I ask for a favorable report on HB 797.