



J. CHARLES SMITH, III
STATE'S ATTORNEY

KIRSTEN N. BROWN
DEPUTY STATE'S ATTORNEY

STATE'S ATTORNEY FOR FREDERICK COUNTY

County Courthouse
100 West Patrick Street
Frederick, Maryland 21701

www.statesattorney.us

February 16, 2024

CIRCUIT COURT DIVISION
301-600-1523

DISTRICT COURT DIVISION
301-600-2573

CHILD SUPPORT DIVISION
301-600-1538

JUVENILE DIVISION
301-600-2980

The Honorable Luke Clippinger
Chairperson, House Judiciary Committee
House Office Building, Room 100
6 Bladen Street
Annapolis, MD 21401

Dear Chair Clippinger and Members of the Judiciary Committee:

On behalf of the Maryland State's Attorney's Association, and the Frederick County State's Attorney's Office, I write in support of House Bill 797 which has the intended purpose of expanding money laundering prohibitions from applying only to drug crimes to include the proceeds derived from other crimes, as well.

From past experience in my office as a drug prosecutor, I am familiar with the ways in which proceeds from drug crimes are laundered to avoid detection. I am also aware that uncovering evidence of and prosecuting this type of crime often involves immense investigative resources. Still, it is a valuable tool for prosecutors when the investigation yields evidence supporting the charge being brought.

As a prosecutor of economic crimes, I am seeing an increase in personal, employee and organization theft by those entrusted with handling the affairs, books, and finances of those victim groups. Often, we see those funds being put into a joint bank account or learn that a person associated with the thief has benefited in some way from the theft. From experience, law enforcement expects this beneficiary of the crime will profess ignorance of the criminal circumstances of how the financial windfall was acquired. With no real prosecutorial vehicle existing, even if knowledge of the criminal way in which the funds were acquired was provided, very little investigative effort is made to explore this potential evidentiary resource or track the post theft circumstances of movement of the stolen funds.

This bill seeks to encourage investigators to dig deeper, to work harder to determine whether the funds have been utilized in a manner prohibited by the language of this bill.

That leads me to where I believe the bill could go further or another bill could provide real teeth which would assist victims of financial crimes. As money laundering is the secreting of stolen funds, when theft or money laundering are charged, I would suggest a legal authorization for seizing and storing the funds/assets obtained from those funds by the defendant in an escrow account/police storage area be created. The funds and/or assets seized could then be returned to the victim upon sentencing of the Defendant to quickly restore at least some of the loss sustained by the victim.

The current system for restitution has no ability to compel return of the stolen funds except by negotiating a disposition to encourage payment up front in return for less jail time or subjecting the victim to a payment plan processed through the probation system. When the restitution is ordered to be paid through probation, we often receive reports that this system is very bogged down and turnaround times between payments made and being sent to the victims are lengthy.

While I am sure there are other criminal activities which utilize money laundering for which the subject of this bill would assist in shutting down the money pipeline, or at least provide consequences for doing so, it is with the hope that this statute could be used to the advantage of victims of financial crimes, by holding additional individuals benefitting from the theft accountable, that I urge this Committee to issue a favorable report on House Bill 797. Thank you for the opportunity to provide support for this bill.

Sincerely,

A handwritten signature in black ink, reading "Jason S. Shoemaker". The signature is fluid and cursive, with the first name "Jason" and last name "Shoemaker" clearly legible.

Jason S. Shoemaker,
Chief, Economic Crimes Unit