

CANDACE McLAREN LANHAM
Chief Deputy Attorney General

CAROLYN A. QUATTROCKI
Deputy Attorney General

LEONARD HOWIE
Deputy Attorney General



ANTHONY G. BROWN
Attorney General

CHRISTIAN E. BARRERA
Chief Operating Officer

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement

PETER V. BERNS
General Counsel

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.
(410) 576-7036

WRITER'S DIRECT DIAL NO
(410) 576-6590

February 20, 2024

TO: The Honorable Luke Clippinger
Chair, Judiciary Committee

FROM: Rhea Harris
Deputy Chief, Legislative Affairs, Office of the Attorney General

RE: House Bill 797 – Criminal Law- Money Laundering – **Support with Amendments**

The Office of the Attorney General (OAG) requests a favorable report on House Bill 797 with the amendments mentioned below. House Bill 797 prohibits a person, with the intent to promote a crime or with the intent to conceal or disguise the nature, location, source, ownership, or control of proceeds of a crime, from taking actions with respect to the proceeds derived from a crime. House Bill 797 establishes penalties if the person violates the law prohibiting a person from taking actions with respect to the proceeds derived from a drug crime.

The current law, which would be eliminated by House Bill 797, criminalizes certain financial transactions which are done to conceal or disguise the nature, location, source, ownership, or control of proceeds of a drug crime.

House Bill 797 would eliminate this provision and replace it with a new “money laundering” crime. The new money laundering crime would have three parts. For non-drug crimes, where the value at issue is over \$10,000, there would be a felony offense carrying a 2-year maximum for a first offense. For a drug crime, where the value at issue is over \$10,000, there would be a felony offense carrying a 5-year maximum for a first offense. For any other

drug crime, where the value at issue is under \$10,000, but only if the drug crime involves fentanyl, there would be a misdemeanor offense for money laundering, carrying a 2-year maximum for a first offense.

House Bill 797 would have a moderate impact on the work of the Office of the Attorney General's Criminal Division, particularly our long-term complex investigations into criminal organizations and prison corruption conspiracies. Targeting financial parts of large criminal conspiracies is often an important part of dismantling a criminal enterprise.

The amendments that OAG is suggesting would make the bill even stronger if the new "money laundering" offense were added to the list of crimes that we could (1) pursue a wiretap for, and (2) use as an underlying crime for the criminal organization statute. Please consider these helpful amendments.

For the foregoing reasons, the Office of the Attorney General requests a favorable report on House Bill 797 with the suggested amendments.

cc: Delegate Leslie Lopez
Judiciary Committee Members