

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 1961

By: Sykes of the Senate

and

Terrill of the House

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9 COMMITTEE SUBSTITUTE

10 An Act relating to controlled dangerous substances;
11 creating the Drug Money Laundering and Wire
12 Transmitter Act; providing short title; granting
13 authority to the Oklahoma State Bureau of Narcotics
14 and Dangerous Drugs Control to access and investigate
15 certain applications, reports, and transactions for
16 certain purpose; directing Bureau to conduct criminal
17 financial records checks on registration applicants
18 for certain fee; directing applicant to pay fee;
19 requiring copy of certain reports be provided to
20 Bureau; prohibiting certain financial transaction;
21 setting penalty; prohibiting certain sale or transfer
22 of equipment to certain persons; setting penalty;
23 prohibiting certain access to money transmitter
24 equipment; setting penalty; prohibiting use of money
services business for certain purposes; setting
penalty; prohibiting transmissions, exchanges or
processes for certain purposes; setting penalty;
prohibiting certain reporting requirement evasions or
attempted evasions; setting penalty; prohibiting the
structuring, or the attempt to structure, certain
transactions; providing definitions; setting penalty;
providing authority to the Oklahoma State Bureau of
Narcotics and Dangerous Drugs Control to intercept,
seize and forfeit certain funds and equipment;
amending 63 O.S. 2001, Section 2-106, which relates
to authority of the Director of the Oklahoma Bureau
of Narcotics and Dangerous Drugs Control; authorizing

1 the purchase and sale of certain property;
2 authorizing the sale or donation of certain equipment
3 and property to certain entities; authorizing
4 establishment of employee recognition programs;
5 providing for codification; providing an effective
6 date; and declaring an emergency.

7 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

8 SECTION 1. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 2-503.1a of Title 63, unless
10 there is created a duplication in numbering, reads as follows:

11 Sections 2 through 9 of this act shall be known and may be cited
12 as the "Drug Money Laundering and Wire Transmitter Act".

13 SECTION 2. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2-503.1b of Title 63, unless
15 there is created a duplication in numbering, reads as follows:

16 A. The Oklahoma State Bureau of Narcotics and Dangerous Drugs
17 Control shall conduct a criminal financial check on all registration
18 applications submitted pursuant to the provisions of Section 1513 of
19 Title 6 of the Oklahoma Statutes. The applicant for a money
20 services business license shall pay a fee of Fifty Dollars (\$50.00)
21 to the Bureau for the criminal financial check prior to licensing.
22 This shall be in addition to all other administrative fees imposed
23 by the Oklahoma Banking Department.

1 B. The Oklahoma State Bureau of Narcotics and Dangerous Drugs
2 Control shall have authority to access, review and investigate any
3 registration application and supplier reports submitted to the
4 Oklahoma State Banking Commissioner pursuant to Section 1513 of
5 Title 6 of the Oklahoma Statutes, for the purposes of criminal
6 financial checks, identifying or investigating suspicious or illegal
7 activities or to track illegal drug-related monies. A copy of all
8 money services transaction reports provided to the Oklahoma State
9 Banking Commissioner shall be provided to the Bureau.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 2-503.1c of Title 63, unless
12 there is created a duplication in numbering, reads as follows:

13 A. No person shall conduct or attempt to conduct a financial
14 transaction knowing that the property involved in such a financial
15 transaction represents the proceeds of some form of unlawful
16 activity related to any violation of Sections 2-101 through 2-608 of
17 Title 63 of the Oklahoma Statutes while:

18 1. Acting with the intent to promote the continuation of the
19 specified unlawful activity;

20 2. Acting with the intent to engage in conduct which violates
21 Sections 2-101 through 2-608 of Title 63 of the Oklahoma Statutes;

22 3. Acting with the knowledge that the transaction is designed
23 in whole or part to disguise the nature, location, source,
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1 ownership, or control of the proceeds of the specified unlawful
2 activity; or

3 4. Acting with the knowledge that the transaction is designed
4 in whole or part to avoid a transaction reporting requirement.

5 B. Any person violating the provisions of this section shall be
6 guilty upon conviction of a misdemeanor, for a first offense, and a
7 felony for any second or subsequent offense. The misdemeanor
8 penalty shall be a fine not exceeding Three Thousand Dollars
9 (\$3,000.00), or imprisonment in the county jail not to exceed one
10 (1) year, or both such fine and imprisonment. The felony penalty
11 shall be imprisonment in the custody of the Department of
12 Corrections for five (5) years, or a fine not exceeding Five
13 Thousand Dollars (\$5,000.00), or both such fine and imprisonment.

14 SECTION 4. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2-503.1d of Title 63, unless
16 there is created a duplication in numbering, reads as follows:

17 A. No person shall sell, give, transfer, trade, supply, or
18 provide any money transmitter equipment, as defined by the Oklahoma
19 Financial Transaction Reporting Act, to any person not licensed by
20 the Oklahoma State Banking Commissioner. Any person violating the
21 provisions of this section shall be guilty upon conviction of a
22 misdemeanor, for a first offense, and a felony for any second or
23 subsequent offense. The misdemeanor penalty shall be a fine not
24 exceeding Three Thousand Dollars (\$3,000.00), or imprisonment in the

1 county jail not to exceed one (1) year, or both such fine and
2 imprisonment. The felony penalty shall be imprisonment in the
3 custody of the Department of Corrections for five (5) years, or a
4 fine not exceeding Five Thousand Dollars (\$5,000.00), or both such
5 fine and imprisonment.

6 B. Any person who encourages, facilitates, or allows access to
7 any money transmitter equipment in any manner to facilitate any
8 violation of Section 2-503.1 of Title 63 of the Oklahoma Statutes
9 shall be guilty of a felony, upon conviction, punishable as provided
10 in Section 2-503.1 of Title 63 of the Oklahoma Statutes.

11 SECTION 5. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 2-503.1e of Title 63, unless
13 there is created a duplication in numbering, reads as follows:

14 A. Any person who knowingly or intentionally uses a money
15 services business, as defined by the Oklahoma Financial Transaction
16 Reporting Act, or an electronic funds transfer network for any
17 purpose in violation of Section 2-503.1 of Title 63 of the Oklahoma
18 Statutes, or with intent to facilitate any violation of the Uniform
19 Controlled Dangerous Substances Act or any statute of the United
20 States relating to controlled substances, or to commit any other
21 crime shall be guilty upon conviction of a felony, punishable by
22 imprisonment in the custody of the Department of Corrections for a
23 term of not more than ten (10) years, or by a fine not exceeding
24 Fifty Thousand Dollars (\$50,000.00), or an amount equal to twice the

1 dollar amount of each transaction, whichever is greater, or by both
2 such fine and imprisonment.

3 B. Any person who, by or through a money services business, as
4 defined in the Oklahoma Financial Transaction Reporting Act, or an
5 electronic funds transfer network, knowingly transmits, exchanges,
6 or processes any securities or negotiable instruments for any
7 purpose in violation of Section 2-503.1 of Title 63 of the Oklahoma
8 Statutes shall be guilty upon conviction of a felony, punishable by
9 imprisonment in the custody of the Department of Corrections for a
10 term of not more than ten (10) years, or by a fine not exceeding
11 Fifty Thousand Dollars (\$50,000.00), or an amount equal to twice the
12 dollar amount of each transaction, whichever is greater, or by both
13 such fine and imprisonment.

14 SECTION 6. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2-503.1f of Title 63, unless
16 there is created a duplication in numbering, reads as follows:

17 A. No person shall, for the purpose of evading the reporting
18 requirements set forth in 31 U.S.C., Section 5311, 31 C.F.R., Part
19 103, and any other state and federal laws pertaining to money
20 laundering:

21 1. Cause or attempt to cause the failure to file a report
22 required under any state or federal monetary reporting requirements
23 under law; or
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1 2. Cause or attempt to cause the filing of a report required
2 under any state or federal monetary reporting requirements under law
3 that contains a material omission or misstatement of fact.

4 B. Upon conviction of a violation of this section, the violator
5 shall be guilty of a felony punishable by imprisonment in the
6 custody of the Department of Corrections for a term of not more than
7 ten (10) years, or by a fine of not more than Fifty Thousand Dollars
8 (\$50,000.00), or an amount equal to twice the dollar amount of each
9 transaction, whichever is greater, or by both such fine and
10 imprisonment.

11 SECTION 7. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 2-503.1g of Title 63, unless
13 there is created a duplication in numbering, reads as follows:

14 A. It shall be unlawful for any person to structure, assist in
15 structuring, attempt to structure, or attempt to assist in
16 structuring any transaction with one or more financial or
17 nonfinancial trades or businesses, to include any importation or
18 exportation of monetary instruments.

19 B. It shall be unlawful for any person to structure or assist
20 in structuring, or attempt to structure or assist in structuring any
21 transaction with one or more organizations that have a state or
22 federal monetary reporting requirement.

23 C. For purposes of this section, "structuring" means a person
24 who, acting alone, in conjunction with others, or on behalf of

1 others, conducts or attempts to conduct one or more transactions in
2 currency, in any amount, at one or more organizations that have a
3 state or federal monetary reporting requirement, on one or more
4 days, for the purpose of evading the reporting requirements of any
5 state or federal law requiring reporting of financial transactions.

6 D. Upon conviction of a violation of this section, the violator
7 shall be guilty of a felony punishable by imprisonment in the
8 custody of the Department of Corrections for a term of not more than
9 ten (10) years, or by a fine of not more than Fifty Thousand Dollars
10 (\$50,000.00), or an amount equal to twice the dollar amount of each
11 transaction, whichever is greater, or by both such fine and
12 imprisonment.

13 SECTION 8. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 2-503.1h of Title 63, unless
15 there is created a duplication in numbering, reads as follows:

16 The Oklahoma State Bureau of Narcotics and Dangerous Drugs
17 Control shall have authority to intercept, seize and forfeit any
18 funds or equipment in violation of any provision of the Drug Money
19 Laundering and Wire Transmitter Act or in violation of Section 2-
20 503.1 of Title 63 of the Oklahoma Statutes.

21 SECTION 9. AMENDATORY 63 O.S. 2001, Section 2-106, is
22 amended to read as follows:

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1 Section 2-106. A. The Director of the Oklahoma State Bureau of
2 Narcotics and Dangerous Drugs Control shall, in addition to other
3 powers and duties vested in ~~him~~ the Director:

4 1. Cooperate with federal and other state agencies in
5 discharging his responsibilities concerning traffic in narcotics and
6 dangerous substances and in suppressing the abuse of dangerous
7 substances;

8 2. Arrange for the exchange of information between governmental
9 officials concerning the use and abuse of dangerous substances;

10 3. Coordinate and cooperate in training programs on dangerous
11 substances law enforcement at the local and state levels;

12 4. Cooperate with the Oklahoma State Bureau of Narcotics and
13 Dangerous Drugs Control by establishing a centralized unit which
14 will accept, catalog, file and collect statistics, including records
15 of drug-dependent persons and other dangerous substance law
16 offenders within the state, and make such information available for
17 federal, state and local law enforcement purposes; and may collect
18 and furnish statistics for other appropriate purposes; and

19 5. Coordinate and cooperate in programs of eradication aimed at
20 destroying wild or illicit growth of plant species from which
21 controlled dangerous substances may be extracted.

22 B. Results, information and evidence received from the Oklahoma
23 State Bureau of Narcotics and Dangerous Drugs Control relating to
24 the regulatory functions of this act, including results of

1 inspections conducted by that agency, may be relied upon and acted
2 upon by the Director in conformance with his regulatory functions
3 under this act.

4 C. The Director is further authorized and directed to:

5 1. Coordinate and cooperate in educational programs designed to
6 prevent and deter misuse and abuse of controlled dangerous
7 substances;

8 2. Promote better recognition of the problems of misuse and
9 abuse of controlled dangerous substances within the regulated
10 industry and among interested groups and organizations;

11 3. Assist the regulated industry, interested groups and
12 organizations in contributing to the reduction of misuse and abuse
13 of controlled dangerous substances;

14 4. Consult with interested groups and organizations to aid them
15 in solving administrative and organizational problems;

16 5. Assist in evaluating procedures, projects, techniques and
17 controls conducted or proposed as part of educational programs on
18 misuse and abuse of controlled dangerous substances;

19 6. Disseminate the results of research on misuse and abuse of
20 controlled dangerous substances to promote a better public
21 understanding of what problems exist and what can be done to combat
22 them; ~~and~~

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1 7. Assist in the education and training of state and local law
2 enforcement officials in their efforts to control misuse and abuse
3 of controlled dangerous substances~~;~~;

4 8. Conduct an annual seminar to be attended by selected law
5 enforcement officers in order to teach new techniques and advances
6 in the investigation of violations of the Uniform Controlled
7 Dangerous Substances Act~~;~~; and

8 9. Supervise and direct agents appointed in the performance of
9 their function of enforcement of the provisions of this act.

10 D. The Director is further authorized and directed to:

11 1. Encourage research on misuse and abuse of controlled
12 dangerous substances;

13 2. Cooperate in establishing methods to assess accurately the
14 effects of controlled dangerous substances and to identify and
15 characterize controlled dangerous substances with potential for
16 abuse;

17 3. Cooperate in making studies and in undertaking programs of
18 research to:

19 a. develop new or improved approaches, techniques,
20 systems, equipment and devices to strengthen the
21 enforcement of this act~~;~~;

22 b. determine patterns of misuse and abuse of controlled
23 dangerous substances and the social effects thereof~~;~~;
24 and

1 c. improve methods for preventing, predicting,
2 understanding and dealing with the misuse and abuse of
3 controlled dangerous substances.

4 E. The Director may enter into contracts with public agencies,
5 institutions of higher education and private organizations or
6 individuals for the purpose of conducting research, demonstrations
7 or special projects which bear directly on misuse and abuse of
8 controlled dangerous substances.

9 F. The Director may enter into contracts for educational and
10 research activities without performance bonds.

11 G. The Director may authorize persons engaged in research or
12 scientific activities on the use and effects of dangerous substances
13 to withhold the names and other identifying characteristics of
14 persons who are the subjects of such research. Persons who obtain
15 this authorization may not be compelled in any state civil,
16 criminal, administrative, legislative or other proceeding to
17 identify the subjects of research for which such authorization was
18 obtained.

19 H. The Director may authorize the lawful possession,
20 distribution and use of controlled dangerous substances by persons
21 engaged in research or scientific activities; authorization for
22 possession of controlled dangerous substances may be extended to
23 persons engaged in a program of drug education or persons in the
24 performance of an official duty. Persons who obtain this

1 authorization shall be exempt from state prosecution for possession,
2 distribution or use of dangerous substances to the extent authorized
3 by the Director.

4 I. The Director is authorized to accept gifts, bequests,
5 devises, contributions and grants, public or private, including
6 federal funds or funds from any other source for use in furthering
7 the purpose of the office of the Director.

8 J. The Director is authorized to purchase or sell real
9 property, together with appurtenances, in the name of the Oklahoma
10 State Bureau of Narcotics and Dangerous Drugs Control upon approval
11 of the Oklahoma State Bureau of Narcotics and Dangerous Drugs
12 Control Commission.

13 K. The Director shall be in charge of all monies appropriated
14 for or deposited to the credit of the office of the Director and is
15 authorized to approve claims and payrolls as provided in Section
16 41.26 of Title 62 of the Oklahoma Statutes.

17 ~~K.~~ L. The Director shall have the authority of a peace officer
18 and is authorized to commission assistants of his office as peace
19 officers.

20 SECTION 10. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 2-106.2 of Title 63, unless
22 there is created a duplication in numbering, reads as follows:

23 A. The Oklahoma State Bureau of Narcotics and Dangerous Drugs
24 Control, pursuant to rules promulgated by the Oklahoma State Bureau

1 of Narcotics and Dangerous Drugs Control Commission, is hereby
2 authorized to:

3 1. Make available for sale used vehicles, used equipment and
4 forfeited property to any federal, state, county, or municipal
5 agency, trust authority or public school district;

6 2. Sell at public auction any used vehicles, used equipment and
7 any property forfeited to the Bureau; and

8 3. Donate or transfer title to any surplus property as defined
9 in Section 62.2 of Title 74 of the Oklahoma Statutes, or property
10 forfeited to the Bureau, to any law enforcement agency of any
11 political subdivision of the State of Oklahoma. The use of such
12 donated equipment shall be limited to valid and authorized law
13 enforcement efforts by the receiving agency.

14 B. Any property subject to this section shall be exempt from
15 the provisions set forth in Section 62.3 of Title 74 of the Oklahoma
16 Statutes.

17 SECTION 11. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 2-111 of Title 63, unless there
19 is created a duplication in numbering, reads as follows:

20 A. The Oklahoma State Bureau of Narcotics and Dangerous Drugs
21 Control is authorized to establish an employee performance
22 recognition program that encourages outstanding job performance and
23 productivity within the Bureau. The Bureau is authorized to expend
24 funds for:

1 1. The purchase of recognition awards to be presented to
2 members of work units or individual employees having exceptional job
3 performance records or other significant contributions to the
4 operation of the Bureau;

5 2. The purchase of recognition awards to be presented to
6 nonemployees of the Bureau in recognition of exemplary service or
7 assistance to the Bureau and law enforcement; and

8 3. A formal ceremony or banquet where the awards may be
9 presented.

10 B. Recognition awards may consist of distinctive wearing
11 apparel, service pins, plaques, writing pens, or other distinguished
12 awards of a value not exceeding One Hundred Fifty Dollars (\$150.00)
13 per award to recognize the achievement of the work unit or
14 individual employee. In addition to recognition awards, the Bureau
15 may establish an employee benefit program not exceeding Five
16 Thousand Dollars (\$5,000.00) each fiscal year for cash awards to
17 recognize outstanding performance in the workplace by Bureau
18 employees.

19 C. To better educate and foster relations as to the Bureau and
20 its mission towards drug reduction, the Bureau may expend funds not
21 exceeding Ten Thousand Dollars (\$10,000.00) each fiscal year for the
22 purpose of distributing educational, demand reduction and
23 commemorative materials bearing the seal of the Oklahoma State
24 Bureau of Narcotics and Dangerous Drugs Control to nonemployees.

1 Donated items, federal grant money and seizure funds shall not count
2 toward this amount.

3 SECTION 12. This act shall become effective July 1, 2008.

4 SECTION 13. It being immediately necessary for the preservation
5 of the public peace, health and safety, an emergency is hereby
6 declared to exist, by reason whereof this act shall take effect and
7 be in full force from and after its passage and approval.

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