

## Office of the Governor

PO BOX 004  
TRENTON, NJ 08625

### NEWS RELEASE

CONTACT: Jayne O'Connor  
609-777-2600

RELEASE: February 16, 1999

#### **Governor Whitman Signs Tough New Anti-Money Laundering Law**

Governor Christie Whitman today signed legislation that will help catch, convict and deter money launderers. The law revises current money laundering law, toughening penalties and increasing the tools at the disposal of law enforcement officers. "Money laundering cheats all of us. It gives hardened criminals the wherewithal to continue their unlawful enterprises. It gives the tax evader a way to escape detection. And it erodes the integrity of our financial institutions," said the Governor.

**A-2171**, sponsored by Assembly Members Neil M. Cohen (D-Union), Paul DiGaetano (R-Bergen/Essex/Passaic), Nia H. Gill (D-Essex), James W. Holzapfel (R-Monmouth/Ocean), Wilfredo Caraballo (D-Essex), Charles "Ken" Zisa (D-Bergen), and Peter J. Barnes, Jr. (D-Middlesex) and Senators Wayne R. Bryant (D-Camden/Gloucester), Garry J. Furnari (D-Bergen/Essex/Passaic), and Louis F. Kosco (R-Bergen), revises the statutory law concerning money laundering.

The Governor said law enforcement must have the tools they need to catch people who try to disguise profit from crime. The bill amends the New Jersey Wiretapping and Electronic Surveillance Control Act to expand wiretap use to include investigations that involve only money laundering.

"Money laundering is a shell game," said Gov. Whitman. "In a battle of one upmanship with money launderers, we must have the upper hand. We must give law enforcement all the tools to combat money laundering, no matter how sophisticated it gets."

The legislation also strengthens New Jersey's statutory law. The grade of offense will now be the same for those conspiring to commit money laundering and those who commit money laundering. In addition, the bill clarifies the factors that can be used to determine whether a financial transaction was designed to avoid reporting requirements.

The bill amends New Jersey's Racketeer Influenced and Corrupt Organization statute (RICO), to clarify that money laundering and drug distribution can be a racketeering activity. In addition, the penalties for racketeering are amended. If a first degree crime is committed while a person engages in racketeering the person can be charged with first degree racketeering. "Money launderers have a corrupting effect on our country's economy," said Attorney General Peter Verniero.

"Money laundering is a serious issue in New Jersey. This new law will further enhance law enforcement's effort to penetrate those criminal enterprises that work to conceal unlawful sources of money."

The legislation imposes heftier fines and stricter sentences on money launderers. When the dirty money is \$500,000 or more, criminals can expect a charge of first degree money laundering, and a minimum of between one-third and one-half of their jail sentence without eligibility for parole. In addition, the bill provides that anyone serving time for money laundering will serve that time consecutively to any other sentence imposed for the underlying criminal activity.

The bill also creates an "anti-money laundering profiteering penalty," similar to the "anti-drug profiteering penalty," that will deprive money launderers of profits they make from their illegal activity. Courts will be able to assess increased monetary penalties on anyone convicted of money laundering.

"We are making it easier for our law enforcement community to uncover the money launderers and make them pay for their crimes. And ultimately that means greater protections for every law-abiding citizen in our state," said Gov. Whitman.

Crime in New Jersey is the lowest it has been in a quarter-century. The Governor said this new law, in addition to Megan's Law, "Three Strikes and You're In" and "No Early Release", makes New Jersey a tough place for criminals.

