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[TITLE 31](#) > [SUBTITLE IV](#) > [CHAPTER 53](#) > [SUBCHAPTER II](#) > **Sec. 5318.**[Prev](#) | [Next](#)**Sec. 5318. - Compliance, exemptions, and summons authority****(a)** General Powers of Secretary. -

The Secretary of the Treasury may (except under section [5315](#) of this title and regulations prescribed under section 5315) -

(1)

except as provided in subsection (b)(2), delegate duties and powers under this subchapter to an appropriate supervising agency and the United States Postal Service;

(2)

require a class of domestic financial institutions to maintain appropriate procedures to ensure compliance with this subchapter and regulations prescribed under this subchapter or to guard against money laundering;

(3)

examine any books, papers, records, or other data of domestic financial institutions relevant to the recordkeeping or reporting requirements of this subchapter;

(4)

summon a financial institution, an officer or employee of a financial institution (including a former officer or employee), or any person having possession, custody, or care of the reports and records required under this subchapter, to appear before the Secretary of the Treasury or his delegate at a time and place named in the summons and to produce such books, papers, records, or other data, and to give testimony, under oath, as may be relevant or material to an investigation described in subsection (b);

(5)

exempt from the requirements of this subchapter any class of

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transactions within any State if the Secretary determines that -

(A)

under the laws of such State, that class of transactions is subject to requirements substantially similar to those imposed under this subchapter; and

(B)

there is adequate provision for the enforcement of such requirements; and

(6)

prescribe an appropriate exemption from a requirement under this subchapter and regulations prescribed under this subchapter. The Secretary may revoke an exemption under this paragraph or paragraph (5) by actually or constructively notifying the parties affected. A revocation is effective during judicial review.

(b) Limitations on Summons Power. -

(1) Scope of power. -

The Secretary of the Treasury may take any action described in paragraph (3) or (4) of subsection (a) only in connection with investigations for the purpose of civil enforcement of violations of this subchapter, section 21 of the Federal Deposit Insurance Act, section 411 [\[1\]](#) of the National Housing Act, or chapter 2 of [Public Law 91-508](#) ([12 U.S.C. 1951](#) et seq.) or any regulation under any such provision.

(2) Authority to issue. -

A summons may be issued under subsection (a)(4) only by, or with the approval of, the Secretary of the Treasury or a supervisory level delegate of the Secretary of the Treasury.

(c) Administrative Aspects of Summons. -

(1) Production at designated site. -

A summons issued pursuant to this section may require that books, papers, records, or other data stored or maintained at any place be produced at any designated location in any State or in any territory or other place subject to the jurisdiction of the United States not more than 500 miles distant from any place where the financial institution operates or conducts business in the United States.

(2) Fees and travel expenses. -

Persons summoned under this section shall be paid the same fees and mileage for travel in the United States that are paid witnesses in the courts of the United States.

(3) No liability for expenses. -

The United States shall not be liable for any expense, other than an expense described in paragraph (2), incurred in connection with the production of books, papers, records, or other data under this section.

(d) Service of Summons. -

Service of a summons issued under this section may be by registered mail or in such other manner calculated to give actual notice as the Secretary may prescribe by regulation.

(e) Contumacy or Refusal. -

(1) Referral to attorney general. -

In case of contumacy by a person issued a summons under paragraph (3) or (4) of subsection (a) or a refusal by such person to obey such summons, the Secretary of the Treasury shall refer the matter to the Attorney General.

(2) Jurisdiction of court. -

The Attorney General may invoke the aid of any court of the United States within the jurisdiction of which -

(A)

the investigation which gave rise to the summons is being or has been carried on;

(B)

the person summoned is an inhabitant; or

(C)

the person summoned carries on business or may be found, to compel compliance with the summons.

(3) Court order. -

The court may issue an order requiring the person summoned to appear before the Secretary or his delegate to produce books, papers, records, and other data, to give testimony as may be necessary to explain how such material was compiled and maintained, and to pay the costs of the proceeding.

(4) Failure to comply with order. -

Any failure to obey the order of the court may be punished by the court as a contempt thereof.

(5) Service of process. -

All process in any case under this subsection may be served in any judicial district in which such person may be found.

(f) Written and Signed Statement Required. -

No person shall qualify for an exemption under subsection (a)(5) ^[2] unless the relevant financial institution prepares and maintains a statement which -

(1)

describes in detail the reasons why such person is qualified for such exemption; and

(2)

contains the signature of such person.

(g) Reporting of Suspicious Transactions. -**(1)** In general. -

The Secretary may require any financial institution, and any director, officer, employee, or agent of any financial institution, to report any suspicious transaction relevant to a possible violation of law or regulation.

(2) Notification prohibited. -

A financial institution, and a director, officer, employee, or agent of any financial institution, who voluntarily reports a suspicious transaction, or that reports a suspicious transaction pursuant to this section or any other authority, may not notify any person involved in the transaction that the transaction has been reported.

(3) Liability for disclosures. -

Any financial institution that makes a disclosure of any possible violation of law or regulation or a disclosure pursuant to this subsection or any other authority, and any director, officer, employee, or agent of such institution, shall not be liable to any person under any law or regulation of the United States or any constitution, law, or regulation of any State or political subdivision thereof, for such disclosure or for any failure to notify the person involved in the transaction or any other

person of such disclosure.

(4) Single designee for reporting suspicious transactions. -

(A) In general. -

In requiring reports under paragraph (1) of suspicious transactions, the Secretary of the Treasury shall designate, to the extent practicable and appropriate, a single officer or agency of the United States to whom such reports shall be made.

(B) Duty of designee. -

The officer or agency of the United States designated by the Secretary of the Treasury pursuant to subparagraph (A) shall refer any report of a suspicious transaction to any appropriate law enforcement or supervisory agency.

(C) Coordination with other reporting requirements. -

Subparagraph (A) shall not be construed as precluding any supervisory agency for any financial institution from requiring the financial institution to submit any information or report to the agency or another agency pursuant to any other applicable provision of law.

(h) Anti-Money Laundering Programs. -

(1) In general. -

In order to guard against money laundering through financial institutions, the Secretary may require financial institutions to carry out anti-money laundering programs, including at a minimum ^[3]

(A)

the development of internal policies, procedures, and controls,

(B)

the designation of a compliance officer,

(C)

an ongoing employee training program, and

(D)

an independent audit function to test programs.

(2) Regulations. -

The Secretary may prescribe minimum standards for programs established under paragraph (1).

[1] See References in Text note below.

[2] See References in Text note below.

[3] So in original. Probably should be followed by a dash.

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