

FISCAL NOTE

SENATE COMMITTEE SUBSTITUTE FOR SENATE, Nos. 1194, 1198 and 1240 STATE OF NEW JERSEY 208th LEGISLATURE

DATED: FEBRUARY 23, 1999

Bill Summary

Senate Committee Substitute for Senate Bill Nos. 1194, 1198 and 1240 of 1998 revises certain sections in Titles 2A and 2C in order to strengthen the ability of the criminal justice system to combat money laundering. This bill provides the following:

- Amends the "New Jersey Wiretapping and Electronic Surveillance Control Act," N.J.S.A.2A:156A-1 et seq, by adding money laundering to the list of offenses enumerated in the wiretapping statute.
- Upgrades the penalties for money laundering so that it is a first degree crime if the amount involved is \$500,000 or more, a second degree crime if the amount involved is at least \$75,000 but less than \$500,000, and a third degree crime otherwise.
- Amends 2C:41-1 by including all crimes defined in Chapter 20 of Title 2C of the New Jersey Statutes, all crimes defined in Chapter 21 of Title 2C of the New Jersey Statutes, violations of 2C:35-4 (maintaining or operating a Controlled Dangerous Substance production facility), and violations of 2C:35-6 (employing a juvenile in a drug distribution scheme) among the crimes which may constitute racketeering activity.
- Provides for an "Anti-Money Laundering Profiteering Penalty." For first degree crimes, the penalty would be \$500,000; for second degree crimes, \$250,000; and for third degree crimes, \$75,000.

Agency Comments

The Administrative Office of the Courts (AOC) states that according to the latest Wiretapping Report, there were 86 orders to wiretap, intercept electronic communications and/or conduct electronic surveillance granted in 1995. Only one order pertained to money laundering offenses. In 1997 there were three people sentenced for second degree money laundering offenses (amounts greater than

\$75,000) and thirteen sentenced for third degree money laundering (amounts less than \$75,000). Although data is not collected on money involved in money laundering offenses, if the "Anti-Money Laundering Profiteering Penalty" was in effect in 1997 at least \$1,725,000 would have been collected.

In 1997 there were a total of fourteen sentences for racketeering offenses under either 2C:41-2 or 2C:41-3. The department does not collect data on the predicate offenses which were the basis for the racketeering convictions. There were, however, 3,616 sentences for offenses under Chapter 20 of Title 2C of the New Jersey Statutes during 1997. In addition there were 325 sentences for offenses under Chapter 21 of Title 2C of the New Jersey Statutes during 1997.

There were two sentences under 2C:35-4 in 1997 (Maintaining/Operating a Controlled Dangerous Substance Production Facility) and twenty-eight sentences under 2C:35-6 (Employing a Juvenile in a Drug Distribution Scheme).

The Office of Legislative Services concurs.

This fiscal note has been prepared pursuant to P.L.1980, c.67.