



Taxpayers Against Fraud
FALSE CLAIMS ACT LEGAL CENTER

September 19, 2022

The Honorable Sherrod Brown
Chairman
Committee on the Banking
United States Senate
503 Hart Senate Office Building
Washington, DC 20510

The Honorable Patrick Toomey
Ranking Member
Committee on the Banking
United States Senate
455 Dirksen Senate Office Building
Washington, DC 20510

Support for S.3316 to Strengthen the Money-Laundering Whistleblower Program

Dear Chairman Brown and Ranking Member Toomey,

Taxpayers Against Fraud (TAF) is a non-profit public interest organization dedicated to combating fraud against the government and the financial markets. Since its founding in 1986, TAF has been committed to safeguarding effective anti-fraud legislation, including the federal False Claims Act and the Anti-Money Laundering Act (AMLA). It is in our capacity as the guardian of the AMLA that I write to you today.

Specifically, I write to express our strong support for legislative efforts to strengthen and broaden the AMLA, which created the Whistleblower Program administered by the Department of Treasury. Since the program came into existence, we have witnessed a flood of inquiries from potential whistleblowers, many with critical information concerning the misuse of the U.S. financial systems by international bad actors. However, since the program in its current form is so limited—most notably by the lack of a minimum whistleblower award amount and the failure to include other money-laundering conduct outside of violations of the Bank Secrecy Act and sanctions violations—many of these potential whistleblowers have disappeared without ever telling the government their information. The personal risk to them to come forward was simply too high without a guarantee that their information would fit within the program.

We have heard the same concerns raised by the 400+ attorney-members of our sister organization Taxpayers Against Fraud Education Fund (TAFEF). Below are a few examples of the kinds of cases TAFEF members have seen just in the last year which could be actionable if the current program were expanded to explicitly cover sanctions violations. Many of these whistleblowers had strong evidence of Russian politically exposed persons (PEPs) or oligarchs using American businesses to launder their ill-gotten gains:

- An investment advisor who knew of a Russian government official using U.S. shell corporations to move millions from a Swiss bank account to another bank account;

- A whistleblower with information regarding a sanctioned individual with ties to Russian and Belarussian regimes who moved hundreds of millions of dollars through a series of banks, including cycling through a U.S. bank, before burying the cleaned money offshore;
- A whistleblower who knew of a far-reaching scheme by a series of banks in Russia and elsewhere to help Russian government officials create seemingly legitimate transactions to facilitate the movement of money out of the region.

These potential whistleblowers would have stepped forward and brought their information to the U.S. Government if our TAFEF attorney-members had been able to promise that their information qualified for the program; that they had sufficient protections under the law; and that they would receive a reward, if the Government succeeded in bringing an action based on their information. None of those promises could be made.

At this time, we urge members of the Committee to strengthen the anti-money laundering program by supporting S.3316. This legislation will offer critical assurances to would-be whistleblowers, thus allowing American law enforcement the benefit of access to the wealth of whistleblowers who are ready to report on Russian oligarchs and their myriad ways of hiding assets.

Best regards,

A handwritten signature in blue ink, appearing to read "Joe White", written over a horizontal line.

Joseph E. B. White
President & CEO
Taxpayers Against Fraud
False Claims Act Legal Center

Copy to:

The Honorable Jack Reed
The Honorable Robert Menendez
The Honorable Jon Tester
The Honorable Mark Warner
The Honorable Elizabeth Warren
The Honorable Chris Van Hollen
The Honorable Catherine Cortez Masto
The Honorable Tina Smith
The Honorable Kyrsten Sinema
The Honorable Jon Ossoff
The Honorable Raphael Warnock

The Honorable Richard Shelby
The Honorable Mike Crapo
The Honorable Tim Scott
The Honorable Mike Rounds
The Honorable Thom Tillis
The Honorable John Kennedy
The Honorable Bill Hagerty
The Honorable Cynthia Lummis
The Honorable Jerry Moran
The Honorable Kevin Cramer
The Honorable Steve Daines