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NATIONAL
WHISTLEBLOWER
CENTER

April 30, 2021

The Honorable Maxine Waters
Chairwoman, U.S. House Committee on
Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member, U.S. House Committee on
Financial Services
4340 O'Neill House Office Building
Washington, D.C. 2002

The Honorable Sherrod Brown
Chairman, U.S. Senate Committee on Banking,
Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patrick Toomey
Ranking Member, U.S. Senate Committee on
Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

RE: Anti-Money Laundering Provisions Must Include Dodd-Frank Act Style Whistleblower Protections

Dear Chairwoman Waters, Chairman Brown and Ranking Member's McHenry and Toomey, and members of the House and Senate Committees:

We write you as whistleblower advocates seeking to ensure that anti-money laundering initiatives are made as effective as possible by including strong whistleblower protections and financial incentives to encourage whistleblowers to come forward. Money laundering is extremely difficult to detect. The essence of money laundering is to hide the source of ill-gotten wealth. Without insider information, this multi-trillion dollar highly corrupt international business cannot be stopped.

Last term, Congress passed the [Anti-Money Laundering \("AML"\) Act of 2020, which includes a provision establishing whistleblower rewards and protections for whistleblowers disclosing money laundering](#). Although a first start, the AML's whistleblower provision contains some weaknesses that we urge Congress to rectify. Unlike the Dodd-Frank and False Claims Acts, the AML law does not guarantee whistleblowers meaningful compensation and the whistleblower reward program that it creates at the Department of Treasury is unfunded. In addition, the anti-retaliation provisions of the law exclude employees at FDIC-insured institutions and credit unions, thereby denying protection to employees of most US banks. If this coverage is removed, whistleblowers would be afforded fairly robust protection against retaliation.

The whistleblower reward programs that Congress created at the Securities and Exchange and Commodities Futures Trading Commission have proven very effective. Each of these programs has resulted in billions of dollars of sanctions for the small price of millions paid to whistleblowers who are the backbone for countless enforcement actions and courageously step forward to protect investors and promote market integrity. The assistance provided by whistleblowers has already helped to combat money laundering and creating an effective anti-money laundering whistleblower program would substantially strengthen the government's ability to root out money laundering and its attendant consequences (e.g., facilitating human trafficking, paying bribes to foreign government officials, and perpetuating financial crimes).

The Anti-Money Laundering Law should be strengthened in conformance with the existing highly effective Dodd-Frank Act model to ensure that the government derives the maximum benefit from these laws and whistleblowers are not confused or disadvantaged by disparate rules for the reporting, protections, and rewards for the same types of crimes.

We are happy to further discuss the need for this fix and support the readoption and passage of the 2020 Senate version of the Anti-Money Laundering Act in the 2021 American Jobs Plan.

Please contact Siri Nelson, at siri.nelson@whistleblowers.org, with any questions or comments. We are happy to help.

Sincerely,

National Whistleblower Center
National Whistleblower Legal Defense and Education Fund
Public Citizen
Government Accountability Project
Project On Government Oversight
Whistleblowers of America
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