



GOVERNMENT
ACCOUNTABILITY
PROJECT



THE FALSE CLAIMS ACT LEGAL CENTER



November 19, 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: Whistleblower Advocates Support S.Amendment 4437.

Dear Chairwoman Waters, Chairman Brown, and Ranking Members McHenry and Toomey:

As leading non-partisan whistleblower advocacy groups, we are writing to urge you to fully support including [S.Amendment.4437](#), proposed by Senator Chuck Grassley (R-IA) and cosponsored by Senator Raphael Warnock (D-GA), as part of the National Defense Authorization Act ("NDAA"). As you are aware, money laundering is one of the most dangerous criminal activities, used for terrorist financing, human trafficking, hiding drug money, and for tax evasion. By its very nature, it is designed to be secret. Consequently, incentivizing whistleblowers to report anti-money laundering violations is critical for America's anti-corruption efforts.

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Last term, as part of the NDAA, 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 good first start, S.Amendment.4437 will correct two major deficiencies in the law that need to be immediately addressed. First, unlike every other successful whistleblower reward law, such as the Dodd-Frank Act, the False Claims Act, the Auto Safety Act, and the IRS tax whistleblower law, the AML law does not guarantee fully qualified whistleblowers a minimum payment if they lawfully provide original information that results in an actual recovery by the United States. Under the current law, a whistleblower could do all the right things, provide extremely helpful information, trigger a large sanction, but obtain no compensation whatsoever. This would be so, even if the whistleblower suffered severe economic retaliation or threats to his or her safety.

S.Amendment.4437 simply conforms the current AML whistleblower reward law to the procedures that have proven to be remarkably successful under the Dodd-Frank Act. The bill provides for a minimum payment of 10% of the collected proceeds obtained as a *direct result of the whistleblower’s information and sacrifices*. It also creates a fund that makes these payments possible. The language contained in S.Amendment.4437 comes directly from the language previously approved by Congress in the three most recent whistleblower reward laws enacted as part of the Commodity Exchange Act, the Securities Exchange Act, and Auto Safety Act.

Not including a minimum payment and not establishing a fund to ensure that payments can be made to courageous whistleblowers acts as a disincentive for whistleblower reporting and undermines the Congressional intent behind the AML law. Without these two vital provisions, the ability to leverage whistleblowers to help fight money laundering will face a crucial setback.

We urge you, in the strongest terms, to support S.Amendment.4437, which simply conforms the AML whistleblower law to the existing provisions contained in the highly effective Dodd-Frank Act. These two reforms are absolutely essential to make the AML whistleblower law function as a critical tool for fighting money laundering.

We are happy to further discuss the need for including S.Amendment.4437 in the NDAA. Thank you for your consideration.

Sincerely,

National Whistleblower Center
Taxpayers Against Fraud
Government Accountability Project
Project On Government Oversight

CC: Members of the House Committee on Financial Services
Members of the Senate Committee on Banking, Housing, and Urban Affairs