



June 22, 2022

**URGENT MATTER**

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

**Re: S. 3316 and H.R. 7195**

Dear Chairman Brown and Ranking Member Toomey:

Since 1988 the National Whistleblower Center, and the attorneys who work with the NWC *pro bono*, have assisted numerous whistleblowers whose lawful disclosures have protected the public, saved lives, and whose information has resulted in returning to the taxpayer billions of dollars as a result of sanctions, fines and penalties paid by fraudsters. However, current weaknesses in America's anti-money laundering laws have interfered with the public interest by undermining the ability of whistleblowers to report AML violations. Given the role of money laundering in fueling the corruption in Russia, the need to update and fix the current AML whistleblower law is a matter of urgency.

As longtime advocates for whistleblowers who have reported, or who have attempted to report, large illegal money laundering schemes originating in Russia, we urge you, in the strongest possible terms, to enact S. 3316.<sup>1</sup> This bill was is bipartisan and was introduced without opposition by Senator Charles Grassley (R-Iowa) and Raphael Warnock (D-Georgia). A companion bill, H.R. 7195, was introduced in the House of Representatives and was "marked-up" today by the House Financial Services Committee. These two bills, which are substantially identical, I will amend the money laundering laws to ensure that whistleblowers who report money laundering by Russian oligarchs (among other criminals) are adequately protected. These amendments are urgently needed because whistleblowers are a key to the success of U.S. sanctions against Russia.

It is well documented that Russian oligarchs, and those directly associated with Russian President Vladimir Putin, have engaged in massive money laundering schemes. It is also well documented that whistleblowers have been played an instrumental role in disclosing these illegal schemes. For example, in an official report issued by the Danske Bank<sup>2</sup> it was documented that

---

<sup>1</sup> <https://www.congress.gov/bill/117th-congress/senate-bill/3316/text?r=7&s=1>

<sup>2</sup> See "Report on the Non-Resident Portfolio at Danske Bank's Estonian Branch," available online at: <https://danskebank.com/-/media/danske-bank-com/file-cloud/2018/9/report-on-the-non-resident-portfolio->

Russians had engaged in an estimated \$230 billion in money laundering. Those participating in the schemes included relatives of President Putin and the Russian secret police (the FSB).

The bank confirmed it was a *whistleblower* who uncovered this massive conspiracy:

*“[F]ollowing a report from a whistleblower . . . it became clear that AML procedures at the Estonian branch [of the Danske Bank] had been manifestly insufficient and inadequate. . . It was a whistleblower from within the Estonian branch . . . that made 9 procedures at the Estonian branch had been manifestly insufficient and inadequate and that all three lines of defence, both within the branch and at Group level, had failed.”*<sup>3</sup>

S. 3316 and H.R. 7195 are absolutely critical legislation necessary to ensure that whistleblowers can assist U.S. law enforcement agencies in tracking down sanctioned Russian assists and preventing similar money laundering in the future.<sup>4</sup> These bills have the complete support of the major whistleblower support groups in the United States. See Letter from National Whistleblower Center, Taxpayers Against Fraud, Government Accountability Project, and Project on Government Oversight, linked at <https://www.whistleblowers.org/wp-content/uploads/2021/11/Whistleblower-Advocates-Support-S-Amendment-4437.pdf>.

With your support whistleblowers can play an instrumental role in fighting corruption that enables Russian aggression around the world. It would be our pleasure to meet with your respective staffs to fully explain the critical nature of these amendments, and how they will play a vital role in righting corruption, ensuring that sanctions against Russia are enforced, and ultimately holding all of the Russian oligarchs who laundered money out of Russia accountable for their financial crimes, and for the support they have given to a dangerous, anti-democratic regime.

As is recognized in the non-partisan Strategy to Combat Corruption, recently approved by the White House with input from every major national security and financial-sector executive agency, whistleblowers are now recognized as key non-governmental actors in fighting corruption, and money laundering is recognized as the fuel for terrorist financing, drug smuggling, bribery, and the corruption that now grips Russian society and has torn apart the rule of law in that country.

---

[at-danske-banks-estonian-branch.pdf?rev=56b16dfddae94480bb8cdcaebadde9b&hash=B7D825F2639326A3BBBC7D524C5E341E](https://www.whistleblowers.org/wp-content/uploads/2021/11/Whistleblower-Advocates-Support-S-Amendment-4437.pdf).

<sup>3</sup> *Id.*, Report pages pp. 3 and 9. The central role played by the whistleblower in uncovering the Russian money laundering was documented throughout the Bank’s report, including on pages 50-67.

<sup>4</sup> Additionally, a detailed article in the *National Law Review* further explains in detail the importance of enacting the reforms contained in H.R. 7195 in order to properly protect money laundering whistleblowers. See <https://www.natlawreview.com/article/don-t-abandon-whistleblowers-who-report-money-laundering-crimes>.

Thank you in advance for your careful attention to these matters. The documented problems faced by Western law enforcement to detect and police money laundering without the full support of whistleblowers is well-documented in the above-referenced Danske Bank money laundering scandal. Over \$230 billion was laundered out of Russia into the West under the noses of every Western AML organization, and all internal bank controls designed to detect these crimes. It was a whistleblower who detected the crimes and stopped the laundering in its tracks. But the damage had been done, and criminal now listed on the U.S sanctions list from Russia were able to enjoy the fruits of their crimes while the people of Russia and Ukraine now must face the impact of years of corruption.

Properly incentivizing and enlisting whistleblowers to aid in the detection and enforcement of these crimes has been proven, time and again, as an essential law enforcement tactic necessary to prosecute well-hidden crimes like money laundering.

Thank you in advance for your prompt attention to these matters. Please feel free to contact us with any questions you may have.

Respectfully submitted,

Stephen M. Kohn  
Chairman of the Board of Directors

Siri Nelson  
Executive Director

CC: Members, Senate Banking Committee  
Senator Charles Grassley, Sponsor of S. 3316  
Senator Raphael Warnock, Co-Sponsor of S 3316