

Congress of the United States
Washington, DC 20515

February 1, 2023

The Honorable Merrick Garland
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General Garland:

I write today regarding section 6201 of H.R. 6395, the 2021 National Defense Authorization Act (“NDAA”) and the required report from the Department of Justice (“DOJ”) to the Department of Treasury (Treasury) on the usefulness of Bank Secrecy Act (“BSA”) data.¹

Section 6201 of the 2021 NDAA requires the DOJ to report metrics on its use of BSA data and “on the use of data derived from financial institutions reporting under the Bank Secrecy Act.” Specifically the report was required to examine “the frequency with which the reported data contains actionable information... the number of legal entities and individuals identified by the reported data... and data on the investigations carried out by State and Federal authorities resulting from the reported data.” Congress included Section 6201 to provide greater transparency regarding the usefulness of BSA data filed with the Financial Crimes Enforcement Network (“FinCEN”) from financial institutions. Determining the effectiveness of this data is critical to ensure financial institutions are providing FinCEN with the most relevant data to certify bad actors are not using our financial services industry to fund illicit activities.

Despite the statutory requirements of Section 6201, and the will of Congress, a Government Accountability Office (GAO) report on DOJ’s compliance with Section 6201 found, “[the DOJ’s] report did not include new statistics on the use and impact of BSA reports, including the summary statistics required under the act.” The report later stated, “DOJ has not included data on the use of BSA reports in its ongoing efforts in improved data collection...”²

The DOJ’s disregard for section 6201 has cemented a lack of transparency into the usefulness of the reported data. If DOJ is unable to state the usefulness of BSA reported data, it begs the question if the burdensome reporting is worthwhile. This inaction plays into the hands of criminals using our financial system by preventing FinCEN and Congress from determining the effectiveness of the U.S. anti-money laundering regime.

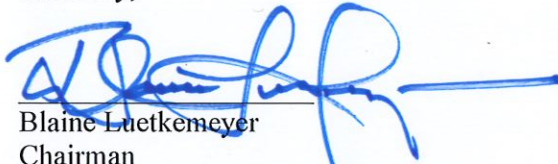
Given your noncompliance with section 6201 of the 2021 NDAA, I request you provide answers to the following questions:

¹ William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, § 6201.

² GAO, *BANK SECRECY ACT Action Needed to Improve DOJ Statistics on Use of Reports on Suspicious Financial Transactions*, GAO-22-105242 (Washington, D.C. Aug. 25th, 2022)

1. Why did you fail to provide the information outlined in Section 6021 to FinCEN?
 - a. Please list all of the factors that prevented you from completing your statutory duty outlined in Section 6021.
2. GAO recommended that DOJ include data on the use of BSA reports in its ongoing agency-wide efforts to improve data collection. Do you agree with this finding?
3. Does the DOJ currently plan on completing the requirements of section 6021? If not, why not?
4. GAO found that DOJ's first annual statistical report on BSA reflected some methodological weaknesses. How does DOJ plan to address these weaknesses, including collaboration with agencies that track uses of BSA reports?
5. What role will DOJ's Chief Information Officer, Chief Evaluation Officer and Chief Statistical Official play in completing the recommendations of GAO?
6. Who is the highest-level staffer within the DOJ involved in the preparation of the report to Treasury regarding BSA use data?

Sincerely,



Blaine Luetkemeyer
Chairman

National Security, Illicit Finance, and International Financial Institutions Subcommittee
U.S. House Committee on Financial Services