



December 12th, 2022

**URGENT REQUEST FOR MEETING REGARDING
ANTI-MONEY LAUNDERING WHISTLEBLOWER IMPROVEMENT ACT**

Congresswoman Rosa DeLauro
Chair, House Appropriations Committee
2413 Rayburn House Office Building
Washington, D.C. 20515

Re: H.R. 7195/S. 3166

Dear Chair DeLauro:

On behalf of the National Whistleblower Center, we are requesting to meet with you to discuss the critical importance of having the Anti-Money Laundering (AML) Whistleblower Improvement Act, [S.3166](#) and [H.R.7195](#), approved on the suspension calendar during this session of Congress. We have previously briefed two members of your staff, Mr. Jack Rayburn and Mr. Harper White, on the compelling need to have this bill approved. These issues were also addressed in our [article for The Hill](#). However, the direct impact the bill will have on Russian corruption and aggression has not yet been fully addressed, either to your staff or in the news media. That is what we wish to clarify now.

Specifically, if passed, the bill will have direct and immediate impact on combating Russian money laundering and sanctions-busting. The current [Dodd-Frank Act](#) has transnational reach. From 2011 through 2021, over 5,000 whistleblowers tips have been received by the U.S. Securities and Exchange Commission (SEC) from non-U.S. citizens spanning over 130 countries. See [Annual Reports](#) from the SEC Office of the Whistleblower. Most of the non-U.S. whistleblowers provided information related to foreign corruption or violations of the Foreign Corrupt Practices Act (FCPA). In regard to the FCPA, the Organisation for Economic Co-operation and Development (OECD) Phase IV report on the United States concluded that the Dodd-Frank law was “a good practice given that [the government] provide powerful incentives for qualified whistleblowers to report foreign bribery allegations against issuers.” The same principles will be applicable to supporting whistleblowers concerning Russian aggression and corruption.

The statistics on whistleblower behavior, when afforded Dodd-Frank protections, unquestionably demonstrates how the proposed AML/Sanctions whistleblower law can be immediately activated to support the Ukrainian people and fight Russian corruption. The following figures are all based on the statistics published in the 2011 through 2021 [Annual Reports](#) of the [SEC](#) Office of the Whistleblower. These reports provide a breakdown of countries where non-U.S. citizens have filed formal claims reporting foreign corrupt activities that the current Dodd-Frank Act covers.

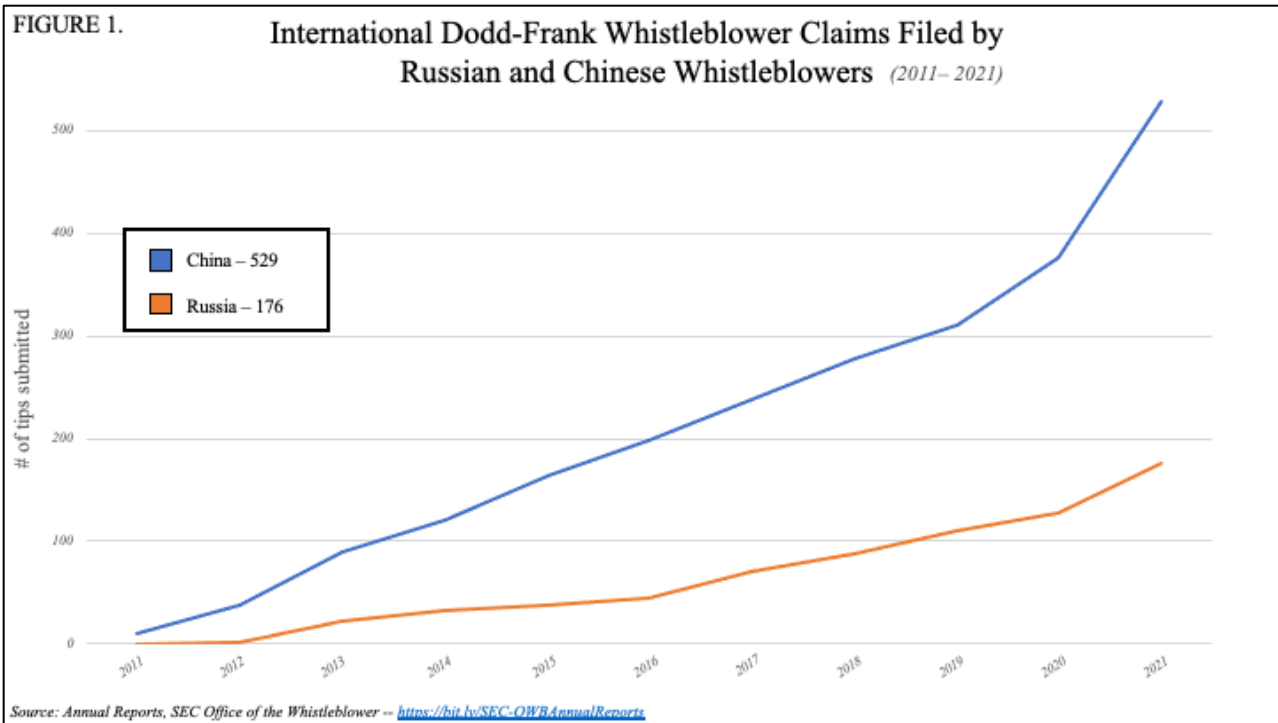


Figure 1 shows the number of Russian and Chinese whistleblowers who have made reports to the SEC from their respective countries. These are anti-corruption activists, whistleblowers, and insiders within Russia who have been willing to report foreign bribery and other corrupt activities to U.S. law enforcement under Dodd-Frank. It can be safely assumed that the same anti-corruption forces within Russia would also be willing to disclose money laundering and sanctions busting. The AML/Sanctions whistleblower law will give the repressed anti-corruption community within Russia a means to be effective. The same goes to China, which is also clearly a potential major source for information on sanctions busting.

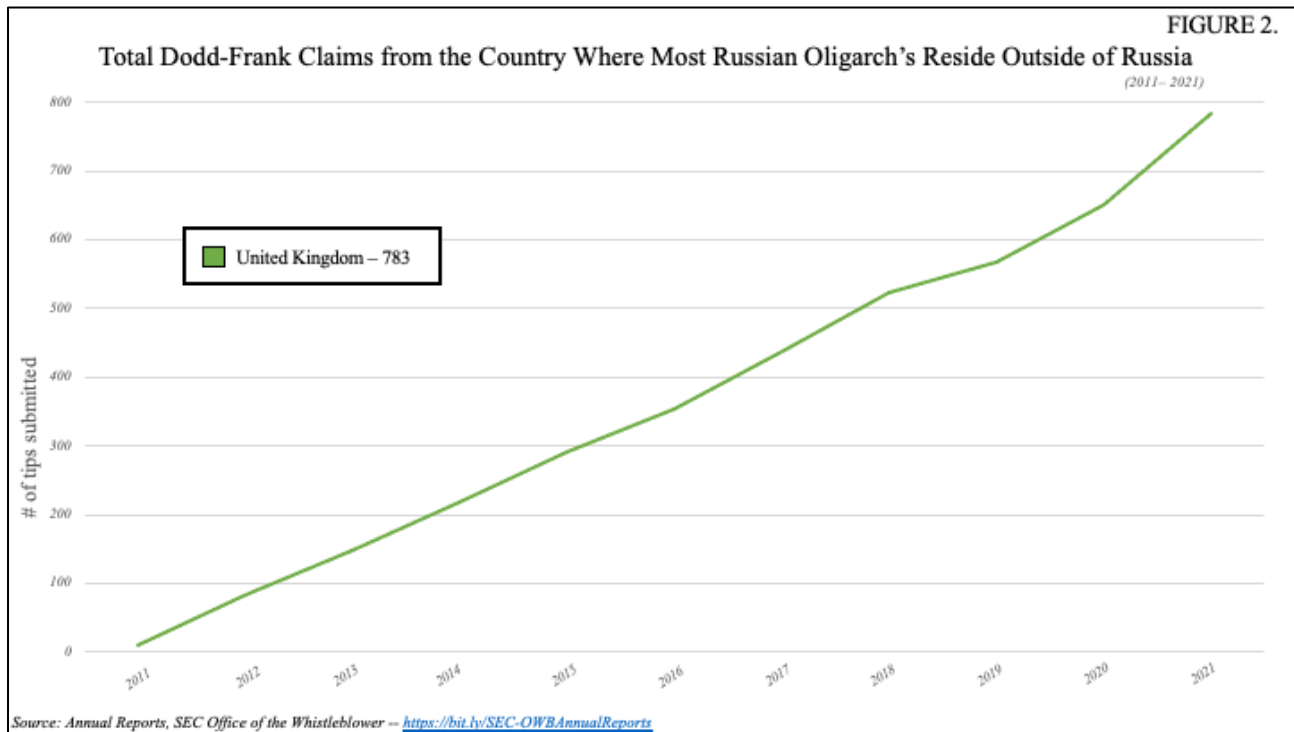


Figure 2 shows the number of whistleblowers from the United Kingdom who have filed claims under the Dodd-Frank Act. Many of these are in the financial services sector. This is critical because the United Kingdom is the leading nation in which oligarchs reside, outside of Russia. Within their banking and financial services systems, information on Russian oligarchs should be forthcoming. Furthermore, the [Danske Bank scandal](#) revealed that \$240 billion was laundered from Russia and the former Soviet republics into Western banks, and that the money launderers all used U.K. LLPs as their intermediary. These launderers included members of Vladimir Putin’s family and the Russian secret police (the FSB). Activating the U.K. whistleblowers who clearly have extensive information on Russian oligarchs and money laundering would be an immediate benefit of passing this law.

As represented in Figures 3 and 4, all of Russia’s major trading partners have had significant whistleblower activity under Dodd-Frank. As in the case of Russia, China, and the United Kingdom, whistleblowers from these countries have been incentivized by Dodd-Frank’s mandatory reward provisions to make confidential and anonymous reports. Figure 3 concerns whistleblowers who have come from countries that are the major trading partners with Belarus. Given that Belarus is a strong Russian ally, these countries may have whistleblowers who are aware of sanctions-busting activities. Figure 4 concerns the number of Dodd-Frank Act claims filed from the countries that are Russia’s major trading partners (excluding China, which is documented in Figure 1). Countries that have strong trading relationships with Russia are also countries that have the greatest potential for whistleblowers who may have information on sanctions-busting activities.

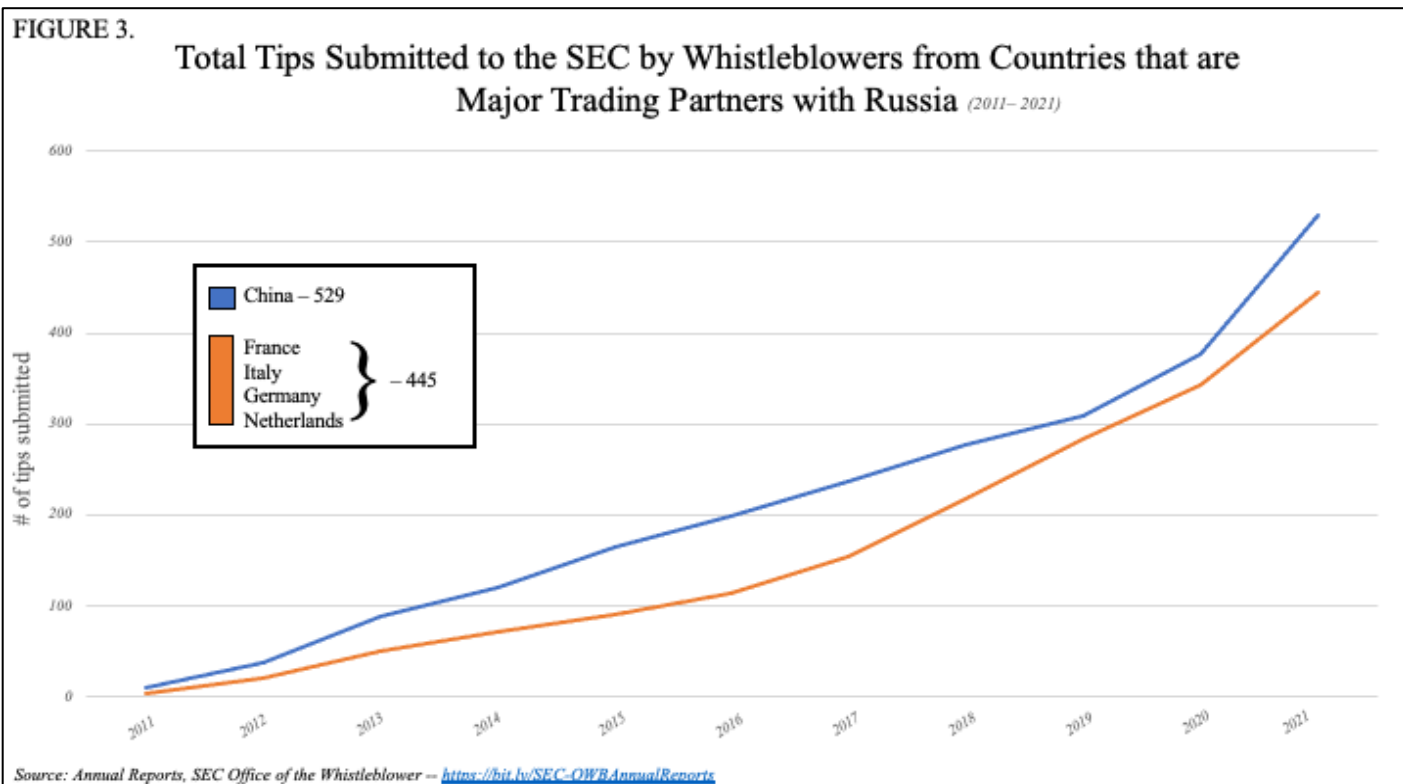
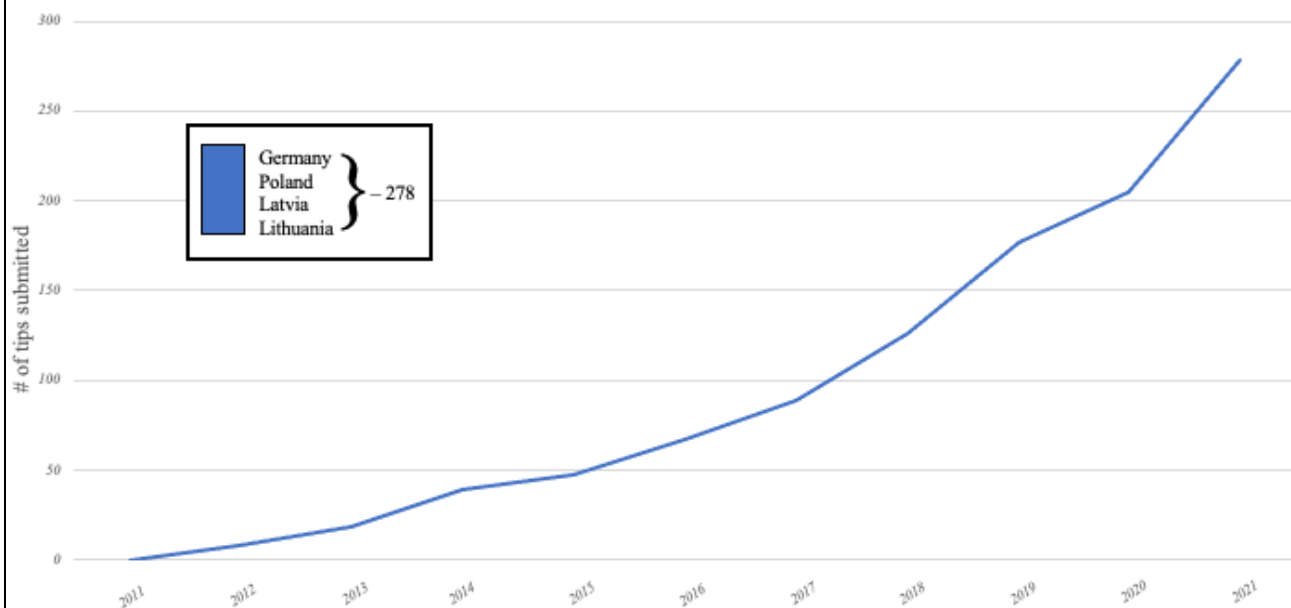


FIGURE 4.

Total Tips Submitted to the SEC by Whistleblowers from Countries that are Major Trading Partners with Belarus (2011– 2021)

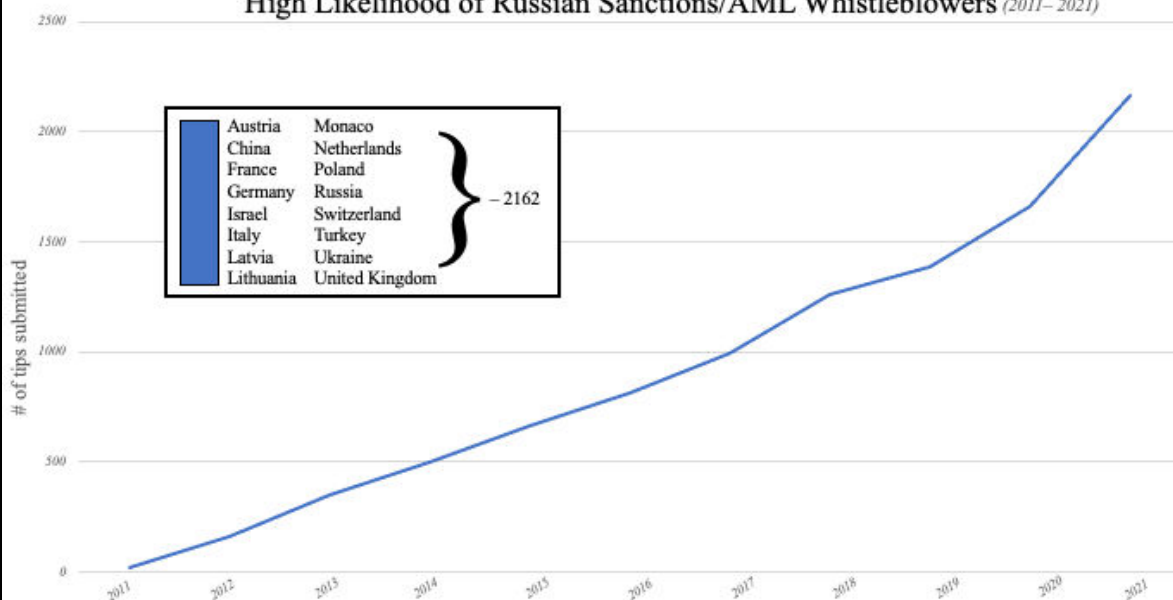


Source: Annual Reports, SEC Office of the Whistleblower – <https://bit.ly/SEC-OWBAnnualReports>

As can be seen from Figure 5, when you combine the whistleblowers from all of these countries, it is clear that there is a large number of potential sources for whistleblowing on money laundering and sanctions busting by those who reside in the nations most likely to have high-quality informants residing there. There are likely to be hundreds, if not thousands, of whistleblowers in these countries with insider information on Russian oligarchs, money laundering, and sanctions-busting who would be willing to step forward if they had the anonymity, confidentiality, and reward provisions afforded to whistleblowers under the Securities Exchange and Dodd-Frank Acts.

FIGURE 5.

Total Number of DFA Claims From Countries With High Likelihood of Russian Sanctions/AML Whistleblowers (2011– 2021)



Source: Annual Reports, SEC Office of the Whistleblower – <https://bit.ly/SEC-OWBAnnualReports>

The urgency of this legislation is further compounded by the fact that non-U.S. whistleblowers cannot obtain protection under obstruction of justice laws or U.S. employment laws. Additionally, many of these whistleblowers would presumably come from countries that either lack an effective rule of law or would be outright hostile to the informants.

One final note. The statistics discussed above appear to be born out from comments made by attorneys who have access to transnational whistleblowers with information on Russia. Taxpayers Against Fraud (TAF) has provided letter-[testimony](#) to Congress that their members have had contact with whistleblowers with information regarding money laundering, but who will not come forward until they have the legal protections afforded under the pending AML/Sanctions whistleblower bill. Likewise, undersigned counsel is aware of non-U.S whistleblowers with detailed information on 30 Russian oligarchs (both individuals and sanctioned companies) listed on the U.S. sanctions list. This is just a tiny sample of the wealth of information that will swiftly come into the hands of U.S. law enforcement once the AML/Sanctions bill becomes law.

There is an immediate urgency to have the Anti-Money Laundering (AML) Whistleblower Improvement Act signed into law during this lame duck session.

Thank you in advance for your kind attention to this letter, and for the consideration your staff has demonstrated toward us during our two prior meetings. We would greatly appreciate the opportunity to meet with either you or your staff to go over these charts and provide further clarification as to the need for a Dodd-Frank styled bill covering AML and sanctions-busting.

Respectfully submitted,

/s/

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