

# United States Senate

WASHINGTON, DC 20510

April 18, 2018

Mr. Brian Moynihan  
Chief Executive Officer  
Bank of America  
100 North Tryon Street  
Charlotte, NC 28255

Dear Mr. Moynihan:

On August 2, 2017, the President signed into law the Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA) which, among other things, required the Treasury Department to identify the most significant Russian senior political figures and oligarchs, as determined by their net worth and closeness to the Russian regime.

Given their wealth and relationship to the Russian state, many oligarchs in Russia either wield or are susceptible to considerable political influence. These individuals often have global financial dealings, including in the U.S., through luxury real estate, personal property, or other interests, and may utilize the U.S. financial system to conduct some of their activities.<sup>1</sup> Unfortunately, the net worth of many of these individuals is frequently generated by business conduct that can blur the line between private wealth and state resources. In some examples, the private fortunes of Russian oligarchs were acquired through the privatization of state-owned assets conducted in a manner which unjustly enriched them and in an environment subject to corruption and abuse. In fact, many oligarchs have been known to use their assets to shield the state from the impact of sanctions.

By voting overwhelmingly to require the creation of the so-called "Oligarchs List," Congress signaled its strong, bipartisan intent to gain a better understanding of these people and their relationships with senior Russian political figures, including President Putin; any indices of corruption present among them; their assets, sources of income and net worth, and that of their family members; their business interests and relevant beneficial ownership information, particularly to expose any use of anonymous shell companies to hide assets; their non-Russian business affiliations; the role of "Politically Exposed Persons" in key sectors of the U.S. economy; and other issues, to aid the administration's efforts to assess whether any of these actors have engaged in nefarious conduct that should subject them to U.S. sanctions. Indeed, the anticipated release of the January 29 "Oligarchs List" reportedly set off a flurry of activity as

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<sup>1</sup> See, e.g., *Donald Trump and the Mansion that No One Wanted. Then Came a Russian Fertilizer King*, Miami Herald (Feb. 27, 2017) (online at [www.miamiherald.com/news/business/article135187364.html](http://www.miamiherald.com/news/business/article135187364.html)); *From Utah, Secretive Help for a Russian Oligarch and His Jet*, New York Times (Nov. 6, 2017) (online at [www.nytimes.com/2017/11/06/world/bank-of-utah-leonid-mikhelson.html](http://www.nytimes.com/2017/11/06/world/bank-of-utah-leonid-mikhelson.html)).

Russian oligarchs sought to enlist lobbyists and public relations consultants to avoid being named for fear of future sanction.<sup>2</sup>

As mentioned, the Treasury Department released this unclassified report on January 29, 2018. The report identified 96 Russian oligarchs with a net worth of \$1 billion or more. While the names were compiled from public sources such as the *Forbes* list of billionaires, Secretary Mnuchin warned during testimony before the Senate Banking Committee on January 30: "There will be sanctions that come out of this report."<sup>3</sup> Indeed, on April 6, 2018, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned seven of these Russian oligarchs, 12 companies they control, 17 Russian government officials, and two state-owned enterprises under CAATSA. The law explicitly requires that the January 2018 report assess the relationship of these oligarchs to Russian President Vladimir Putin and identify "indices of corruption." For this reason, we feel that the January 2018 report, and not just the sanctions designations alone, should guide banks and help to detect and deter the exploitation of our financial system by Russian oligarchs and senior political figures, some of whom may have engaged in acts of corruption and the privatization of state-owned assets in a way which unjustly benefited state officials or their family members, or other sanctionable conduct.

Given the importance of this issue to national security, and to gain a better understanding of the extent of this problem and what financial institutions may be doing about it, please provide the answers to the following questions:

1. During the past 5 years, as part of its normal due diligence program or triggered by internal concerns about suspicious activity, has Bank of America identified, or conducted any review to determine if it has any account (including but not limited to personal, commercial or correspondent accounts) that is controlled by or contains any assets that belong to or are controlled by any individual on the January 29, 2018 list of oligarchs or senior Russian political figures, or if Bank of America has any financial arrangement (including but not limited to any loan, line of credit or margin account) or has provided any service to any individual, or any entity controlled by any individual, on the list ["applicable account, financial arrangement or service"]? If so, please provide the following information:

a. The departments or outside entities that performed the review;

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<sup>2</sup> *U.S. Treasury's List of Putin 'Oligarchs' Jolts Russia's Elite Class*, Bloomberg (Jan. 15, 2018) (online at [www.bloomberg.com/news/articles/2018-01-15/mnuchin-list-of-putin-oligarchs-jolts-russia-s-elite-class](http://www.bloomberg.com/news/articles/2018-01-15/mnuchin-list-of-putin-oligarchs-jolts-russia-s-elite-class)).

<sup>3</sup> *Mnuchin Says Russia Sanctions Coming After 'Oligarchs' Report*, Bloomberg (Jan. 30, 2018) (online at [www.bloomberg.com/news/articles/2018-01-30/mnuchin-say-russia-sanctions-coming-after-oligarchs-report](http://www.bloomberg.com/news/articles/2018-01-30/mnuchin-say-russia-sanctions-coming-after-oligarchs-report)).

- b. How the review was conducted (e.g., what affiliates and subsidiaries were included in the review, what criteria and time periods were used, what type of accounts, financial arrangements and services were included in the review); and,
- c. Whether any applicable accounts, financial arrangements or services were identified as being held by or provided to any individual or individuals on the list. If so, for each applicable account, financial arrangement or service – grouped by common control or beneficial owner – please provide the following information:
- i. The type, amount or value (as appropriate) of any account, financial arrangement or service provided;
  - ii. Whether the accountholder, party to the arrangement or recipient of the service was treated as a Politically Exposed Person or subject to any enhanced due diligence and if so, what was it;
  - iii. Whether any suspicious activity was identified with any applicable account, financial arrangement or service, and a description of any such suspicious activity; and,
  - iv. Whether any applicable account, financial arrangement or service has been discontinued during this period, and if so the reason for the discontinuation.

2. If Bank of America has not conducted such a review in the past 5 years, what efforts has Bank of America initiated to identify any activity between those individuals named on the U.S. Government's January 29, 2018 list of senior political figures or the "Oligarchs List" and any applicable account, financial arrangement or service associated with your institution, and what actions does Bank of America plan to undertake if such an individual and any applicable account, financial arrangement or service is identified?

Please contact Naz Durakoglu of my staff at 202-224-2841 or Chris Mewett of Senator Whitehouse's staff at 202-224-2921 if you have any questions about this request and to make arrangements for the delivery of the material.

Thank you for your attention to this matter.

Sincerely,



Jeanne Shaheen  
United States Senator



Sheldon Whitehouse  
United States Senator