

RESOLUTION OF INQUIRY DIRECTING THE SECRETARY OF THE TREASURY TO PROVIDE CERTAIN DOCUMENTS IN THE SECRETARY'S POSSESSION TO THE HOUSE OF REPRESENTATIVES RELATING TO PRESIDENT TRUMP'S FINANCIAL CONNECTIONS TO RUSSIA, CERTAIN ILLEGAL FINANCIAL SCHEMES, AND RELATED INFORMATION

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JULY 28, 2017.—Referred to the House Calendar and ordered to be printed

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Mr. HENSARLING, from the Committee on Financial Services,  
submitted the following

## ADVERSE REPORT

together with

## MINORITY VIEWS

[To accompany H. Res. 442]

The Committee on Financial Services, to whom was referred the resolution (H. Res. 442) of inquiry directing the Secretary of the Treasury to provide certain documents in the Secretary's possession to the House of Representatives relating to President Trump's financial connections to Russia, certain illegal financial schemes, and related information, having considered the same, report unfavorably thereon without amendment and recommend that the resolution not be agreed to.

### PURPOSE AND SUMMARY

On July 13, 2017, Representative Maxine Waters introduced H. Res. 442. This resolution of inquiry would direct the Secretary of the Treasury "to provide certain documents in the Secretary's possession to the House of Representatives relating to President Trump's financial connections to Russia, certain illegal financial schemes, and related information." This resolution of inquiry names the President and several of his family members and associates, and applies to any Trump-owned entity. The Secretary is directed to furnish to the House of Representatives all relevant "copies of any document, record, including any applicable suspicious activity report ("SAR"), memo, correspondence, or other communication" within 14 days after the adoption of this resolution. H. Res. 442 does not specify the purpose of the inquiry.

## BACKGROUND AND NEED FOR LEGISLATION

H. Res. 442 is a resolution of inquiry. The resolution of inquiry is a measure infrequently used by the U.S. House of Representatives designed to obtain certain factual information from the Executive Branch. Clause 7 of Rule XIII of the House affords privileged status to a resolution of inquiry. The resolution is subject to a motion to discharge if the committee to which it was referred does not report the measure within 14 legislative days of its introduction. Accordingly, the Committee on Financial Services considered H. Res. 442 on July 25, 2017, which is within the 14-day period and reported the resolution unfavorably.

Representative Waters and other Democratic Members of the Committee on Financial Services authored a number of letters requesting information on President Trump, his associates, and businesses potentially linked to him or his associates and contacts or relationships with the Russian Federation. The most recent letter was sent to Treasury Secretary Mnuchin on May 23, 2017, and included a request for both documents and records similar to the demands made in H. Res. 442. The resolution of inquiry expands on the May 23, 2017 letter to include a list of specific Trump-affiliated individuals and entities.

The Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) likely maintains the bulk of the records envisioned in H. Res. 442. In addition to SARs, the resolution likely would include any Currency Transaction Report (CTR), Form 8300 (Report of Cash Payments Over \$10,000), or similar records submitted to FinCEN pursuant to the Bank Secrecy Act (BSA). Also encompassed in the resolution likely would be any analytic product, email, or memo produced by FinCEN or any other component of Treasury relating to the subjects named in the resolution. H. Res. 442 explicitly requires the Secretary of the Treasury to furnish any requests made to FinCEN regarding these subjects by other countries' financial intelligence units (FIU), specifically to include the FIU of Cyprus.

In general, BSA records like SARs contain a variety of personally-identifiable information (PII) on the subject of the record, as well as on any individuals that may be associated with the transaction or activity being reported. For example, a SAR has several sections:

- Part 1 includes the name and address of the financial institution, the address(es) of the branch(es) where the suspicious activity occurred, and the account number(s) affected by the suspicious activity (whether associated with the suspect or with another party).
- Part 2 includes the full name, address, date of birth, phone number (home and business), occupation, and any identifying document number known (Social Security number, driver's license number, passport number, etc.).
- Part 3 characterizes the suspicious activity, with multiple types of activity possible, including money laundering, bribery, check fraud, loan fraud, counterfeit instruments, debit/credit card fraud, terrorist financing, etc.

- Part 4 lists the point of contact within the filing institution (usually a fraud investigator), should follow-up or further information be required.
- Part 5 is a free-text narrative, where the filing institution describes in its own words the suspicious activity. This section can include a variety of information that the filing institution believes may be of interest to law enforcement and FinCEN, such as a description of the transactions, the reasons why the filing institution believed the activity to be suspicious, and other extraneous details that may be relevant to the SAR. There is no restriction to the type or amount of detail that may be provided in this section, which often results in this being by far the largest section of a given SAR, and often the most useful for investigators.

In addition to demanding Treasury's information, H. Res. 442 also directs the Secretary to produce any requests for information from foreign FIUs sent to FinCEN under the auspices of the charter of the Egmont Group of Financial Intelligence Units (Egmont). Under the Egmont charter, dissemination of any information or requests for information provided by a foreign country to FinCEN must be cleared by the FIU that provided the information. Any provision of this information by Treasury without prior consent would be a violation of this international agreement.

The variety of Congressional, Executive branch, intelligence and law enforcement investigations currently underway are well known to the Congress, the Members of the Committee on Financial Services and to the American public. In particular, the Senate Select Committee on Intelligence (SSCI) and the House Permanent Select Committee on Intelligence (HPSCI) both are conducting wide-ranging, bipartisan investigations into individuals and entities related to Russia. Both SSCI and HPSCI also have already requested a wide variety of information from the Treasury Department in furtherance of their investigations. Additionally, the Federal Bureau of Investigation, the National Security Agency, and the Central Intelligence Agency are all investigating some aspects of President Trump's associates, such as any Russian connections to former National Security Advisor Michael Flynn.

This resolution of inquiry seeks to obtain BSA records, which include a wide variety of personal information and it would expose an inordinate amount of personal information on U.S. citizens to a Committee of Congress that does not typically investigate classified matters.

Furthermore, Ranking Member Waters admitted on MSNBC's Morning Joe on May 18, 2017, that there has been no actual evidence that President Trump colluded with Russia to impact the results of the presidential election.<sup>1</sup> Thus, for the aforementioned reasons the Committee rejects this resolution of inquiry and reports it unfavorably to the House.

#### HEARINGS

The Committee held no hearings on H. Res. 442.

<sup>1</sup>See "Maxine Waters admits there is no evidence of Trump colluding with Russia," May 19, 2017, available at <http://www.theblaze.com/news/2017/05/19/maxine-waters-admits-there-is-no-evidence-of-trump-colluding-with-russia/>.

## COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on July 25, 2017 and ordered H. Res. 442 to be reported unfavorably to the House without amendment by a recorded vote of 34 yeas to 26 nays (recorded vote no. FC-72), a quorum being present.

## COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The sole recorded vote was on a motion by Chairman Hensarling to report the resolution unfavorably to the House without amendment. The motion was agreed to by a recorded vote of 34 yeas to 26 nays (Record vote no. FC-72), a quorum being present. The vote was as follows:

	Ayes	Nays	Present
Jeb Hensarling, Texas .....	X		
Patrick T. McHenry, North Carolina .....	X		
Peter T. King, New York .....	X		
Edward R. Royce, California .....	X		
Frank D. Lucas, Oklahoma .....	X		
Stevan Pearce, New Mexico .....	X		
Bill Posey, Florida .....	X		
Blaine Luetkemeyer, Missouri .....	X		
Bill Huizenga, Michigan .....	X		
Sean P. Duffy, Wisconsin .....	X		
Steve Stivers, Ohio .....	X		
Randy Hultgren, Illinois .....	X		
Dennis A. Ross, Florida .....	X		
Robert Pittenger, North Carolina .....	X		
Ann Wagner, Missouri .....	X		
Andy Barr, Kentucky .....	X		
Keith J. Rothfus, Pennsylvania .....	X		
Luke Messer, Indiana .....	X		
Scott Tipton, Colorado .....	X		
Roger Williams, Texas .....	X		
Bruce Poliquin, Maine .....	X		
Mia Love, Utah .....	X		
French Hill, Arkansas .....	X		
Tom Emmer, Minnesota .....	X		
Lee M. Zeldin, New York .....	X		
Dave A. Trott, Michigan .....	X		
Barry Loudermilk, Georgia .....	X		
Alexander X. Mooney, West Virginia .....	X		
Thomas MacArthur, New Jersey .....	X		
Warren Davidson, Ohio .....	X		
Ted Budd, North Carolina .....	X		
David Kustoff, Tennessee .....	X		
Claudia Tenney, New York .....	X		
Trey Hollingsworth, Indiana .....	X		
Maxine Waters, California .....		X	
Carolyn B. Maloney, New York .....		X	
Nydia M. Velázquez, New York .....		X	
Brad Sherman, California .....		X	
Gregory W. Meeks, New York .....		X	
Michael E. Capuano, Massachusetts .....		X	
Wm. Lacy Clay, Missouri .....		X	
Stephen F. Lynch, Massachusetts .....		X	
David Scott, Georgia .....		X	
Al Green, Texas .....		X	
Emanuel Cleaver, Missouri .....		X	
Gwen Moore, Wisconsin .....		X	
Keith Ellison, Minnesota .....		X	
Ed Perlmutter, Colorado .....		X	

	Ayes	Nays	Present
James A. Himes, Connecticut .....		X	.....
Bill Foster, Illinois .....		X	.....
Daniel T. Kildee, Michigan .....		X	.....
John K. Delaney, Maryland .....		X	.....
Kyrsten Sinema, Arizona .....		X	.....
Joyce Beatty, Ohio .....		X	.....
Denny Heck, Washington .....		X	.....
Juan Vargas, California .....		X	.....
Josh Gottheimer, New Jersey .....		X	.....
Vicente Gonzalez, Texas .....		X	.....
Charlie Crist, Florida .....		X	.....
Ruben J. Kihuen, Nevada .....		X	.....
Total .....	34	26	.....

#### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

#### PERFORMANCE GOALS AND OBJECTIVES

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

Present	Representative	Yeas	Nays
	Mr. HENSARLING, <i>Chairman</i>	✓	
	Mr. MCHENRY	✓	
	Mr. KING	✓	
	Mr. ROYCE	✓	
	Mr. LUCAS	✓	
	Mr. PEARCE	✓	
	Mr. POSEY	✓	
	Mr. LUETKEMEYER	✓	
	Mr. HUIZENGA	✓	
	Mr. DUFFY	✓	
	Mr. STIVERS	✓	
	Mr. HULTGREN	✓	
	Mr. ROSS	✓	
	Mr. PITTENGER	✓	
	Mrs. WAGNER	✓	
	Mr. BARR	✓	
	Mr. ROTHFUS	✓	
	Mr. MESSER	✓	
	Mr. TIPTON	✓	
	Mr. WILLIAMS	✓	
	Mr. POLIQUIN	✓	
	Mrs. LOVE	✓	
	Mr. HILL	✓	
	Mr. EMMER	✓	
	Mr. ZELDIN	✓	
	Mr. TROTT	✓	
	Mr. LOUDERMILK	✓	
	Mr. MOONEY	✓	
	Mr. MACARTHUR	✓	
	Mr. DAVIDSON	✓	
	Mr. BUDD	✓	
	Mr. KUSTOFF	✓	
	Ms. TENNEY	✓	
	Mr. HOLLINGSWORTH	✓	
	Ms. WATERS, <i>Ranking Member</i>		✓
	Mrs. MALONEY		✓
	Ms. VELÁZQUEZ		✓
	Mr. SHERMAN		✓
	Mr. MEEKS		✓
	Mr. CAPUANO		✓
	Mr. CLAY		✓
	Mr. LYNCH		✓
	Mr. SCOTT		✓
	Mr. GREEN		✓
	Mr. CLEAVER		✓
	Ms. MOORE		✓
	Mr. ELLISON		✓
	Mr. PERLMUTTER		✓
	Mr. HIMES		✓
	Mr. FOSTER		✓
	Mr. KILDEE		✓
	Mr. DELANEY		✓
	Ms. SINEMA		✓
	Mrs. BEATY		✓
	Mr. HECK		✓
	Mr. VARGAS		✓
	Mr. GOTTHEIMER		✓
	Mr. GONZALEZ		✓
	Mr. CRIST		✓
	Mr. KIHUEN		✓

## Committee on Financial Services

115<sup>th</sup> CongressDATE: 7/25/17Measure H. Res 442Amendment No. Motion to Report unfavorably

Offered by: \_\_\_\_\_

Agreed To	Yes	No	Wdrn
	✓		

Voice Vote	Yeas	Nays	Prsnt
	34	26	

Record vote no. FC- 72

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX  
EXPENDITURES

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives is inapplicable.

COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee advises that the Congressional Budget Office did not provide a cost estimate for the resolution.

FEDERAL MANDATES STATEMENT

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104-4). The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of the section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H. Res. 442 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(g)(2) of H. Res. 5, 115th Cong. (2017), the Committee states that no provision of H. Res. 442 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

In compliance with Sec. 3(i) of H. Res. 5, 115th Congress (2017), the following statement is made concerning directed rule makings: The Committee estimates that H. Res. 442 specifically directs to be completed no specific rule makings within the meaning of 5 U.S.C. Sec. 551.

## ADDITIONAL BACKGROUND

At least four committees in Congress and several Executive Branch agencies are already investigating these issues with the same information. Adding yet another committee to the pile is duplicative, wasteful, distracting, and unnecessary.

The Senate Intelligence Committee, the Senate Judiciary Committee, the House Intelligence Committee, and the House Oversight and Government Reform Committee have all announced investigations into various aspects of the relationship of President Trump with Russia.

Additionally, the Federal Bureau of Investigation, the National Security Agency, and the Central Intelligence Agency are all investigating some aspects of President Trump's associates, such as any Russian connections to former National Security Advisor Michael Flynn.

The Department of Justice, on May 18, 2017, appointed former FBI Director Robert S. Mueller III as a special counsel to investigate any criminal wrongdoing by President Trump or his associates related to Russia.

H. Res. 442 demands that the Treasury Department provide the Congress with an incredible amount of very personal and private information, including Social Security numbers, bank account numbers, drivers' license numbers, and phone numbers for anyone even potentially involved in a transaction.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H. Res. 442 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report contemplated by clause 3(e)(1)(B) of Rule XIII of the House of Representatives.



## MINORITY VIEWS

H. Res. 442, a Resolution of Inquiry (ROI), directs the Secretary of the Treasury, Steven Mnuchin, to provide any records from the Department's Financial Crimes Enforcement Network (FinCEN) to the Committee that detail President Trump's financial ties to Russia, as well as those of his family members and associates.

The nearly constant stream of revelations about President Trump's alleged ties to Russian government officials, oligarchs, and organized crime leaders raises serious questions as to whether these individuals may have financial leverage over the President, his immediate family members and his associates that ultimately influence whether the Administration is acting in the best interests of the American people.

While President Trump has repeatedly maintained that he has no investments in Russia, such declarations appear to belie the full truth of his financial arrangements with Russia, as indicated by a wide range of press outlets and even President Trump's own family members. For example, Trump's son Eric has previously stated that "Russians make up a pretty disproportionate cross-section of a lot of [their] assets," adding that "[they] see a lot of money pouring in from Russia."

Additionally, President Trump's biggest lender, and the only bank known to continue to lend to him after his bankruptcies, is Deutsche Bank. Trump has now reportedly amassed a total of approximately \$340 million in outstanding loans to Deutsche Bank. This significant debt raises concerns, not only about the bank's exposure to higher risk given Trump's history of defaulting on his debts, but also about conflicts of interest, given that President Trump is responsible for selecting the federal banking and Justice Department officials responsible for overseeing the bank and holding it accountable for violating the law. President Trump's extensive ties to the bank are also deeply concerning given the Bank's involvement in major illegal financial operations involving Russia. The President's loans with the bank were also made under reportedly "highly suspicious circumstances" and raise questions as to whether the loans were guaranteed in some way by Russia, thereby compromising the President.

Committee Democrats have made repeated attempts to follow the Trump money trail and investigate the suspicious financial dealings of the President, his immediate family and his associates, including their possible involvement in illicit Russian financial schemes. Since March, Democrats have written four letters—one to Committee Chairman Jeb Hensarling, one to Deutsche Bank CEO John Cryan, one to Treasury Secretary Steven Mnuchin, and another to Deutsche Bank's external counsel—requesting their cooperation in exposing the full scope of Russian influence on the Trump Administration.

On March 10th, 2017, Committee Democrats called on Chairman Hensarling to use the full range of the Committee's investigative powers to examine Deutsche Bank's Russian money-laundering operation, and assess the integrity of the U.S. Department of Justice's ongoing investigation into the scheme, given the Trump Administration's conflicts of interest in the matter and the revelations of Attorney General Sessions' communications with the Russian Ambassador. Chairman Hensarling failed to respond.

On May 23, 2017, Committee Democrats sent a letter to Deutsche Bank's Chief Executive Officer John Cryan requesting information on two internal reviews the Bank reportedly conducted, the first on its 2011 Russian mirror trading scandal, and the second on whether the accounts of President Donald Trump and his family members held at the Bank had any ties to Russia. Deutsche Bank's external counsel responded, stating that Deutsche Bank was unable to cooperate with the requests, citing privacy concerns.

On May 23, 2017, Committee Democrats also sent a letter to Treasury Secretary Steven Mnuchin requesting that FinCEN provide any records to the Committee that detail President Trump's financial ties to Russia, as well as those of his family members and associates. Secretary Mnuchin failed to respond.

On June 21, 2017, Committee Democrats sent a follow up letter to Deutsche Bank's outside counsel regarding the lawmakers' request for information related to the accounts of President Trump and his family members, including potential ties to Russia, as well as information related to the 2011 Russian mirror trading scheme. In the letter, the lawmakers asserted that governing federal privacy statutes invoked by the Bank to withhold the information do not prohibit disclosure of the information to Congress. Deutsche bank's outside counsel ultimately failed to respond to the requests made in the letter.

Given that FinCEN employs a team with expertise in financial intelligence who work closely with law enforcement to analyze over 200 million suspicious activity reports derived from the more than 80,000 financial institutions, and given that the Financial Services Committee is responsible for examining and overseeing the operations of FinCEN, including its ongoing efforts to collect, analyze, and disseminate financial intelligence in support of law enforcement agencies' investigative work, Democrats introduced the ROI to begin an investigation into Trump's financial entanglements with Russia. In addition to suspicious activity reports, currency transaction reports, currency or monetary instrument reports, geographic targeting orders, and foreign bank and financial accounts reporting, FinCEN has information sharing arrangements with foreign Financial Intelligence Units, which could detect the reported types of suspicious Russian financial arrangements that extend beyond American borders.

H. Res. 442 requests information that would shed light on all of these matters and allow the Financial Services Committee to begin an investigation into the numerous suspicious ties among President Trump, his family members, his associates and Russia.

For these reasons, we support H. Res. 442.

MAXINE WATERS.  
GWEN MOORE.  
STEPHEN LYNCH.  
DAVID SCOTT.  
ED PERLMUTTER.  
AL GREEN.  
DENNY HECK.  
KEITH ELLISON.  
BILL FOSTER.  
RUBEN KIHUEN.  
JOYCE BEATTY.  
GREGORY W. MEEKS.  
CAROLYN B. MALONEY.  
NYDIA M. VELÁZQUEZ.  
BRAD SHERMAN.  
WM. LACY CLAY.  
MICHAEL E. CAPUANO.  
JUAN VARGAS.  
DANIEL T. KILDEE.

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