

United States Senate

WASHINGTON, DC 20510

July 6, 2017

The Honorable Jeff Sessions
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Attorney General Sessions:

We appreciate your commitment to restoring the integrity of the Department of Justice (DOJ). We were particularly encouraged during your confirmation hearing that you were troubled by the idea that a law abiding business could be targeted strictly for operating in an industry that the government disfavors. We have met with a number of industry representatives, regulators, and constituents, and a recurring concern has been brought to our attention regarding "Operation Choke Point." Once Operation Choke Point was initiated, employees of the DOJ coordinated with federal bank examiners to press financial institutions who provided financial services to certain targeted industries (including firearms and ammunition) to end these relationships. Under fear of retribution, many banks stopped providing financial services to members of these industries for no reason other than political pressure, which took the form of regulatory scrutiny. While many would claim that this program has ceased to operate, this does not appear to be the case as we continue to receive complaints that indicate that the program is still in effect.

In January 2015, the Federal Deposit Insurance Corporation (FDIC) issued a Financial Institution Letter that clarified the agency's position regarding Operation Choke Point. The letter stated that banks should take "a risk-based approach in assessing individual customer relationships rather than declining to provide banking services to entire categories of customers without regard to the risks presented by an individual customer or the bank's ability to manage the risk." We are convinced that banks still believe that DOJ negatively views providing financial services to members of certain lawful industries. To remedy this, we request that DOJ review all options available to ensure lawful businesses are able to continue to operate without fear of significant financial consequences, which should include taking the additional step of issuing a Statement of Enforcement Policy that Operation Choke Point is no longer in effect and that administrative subpoenas issued pursuant to DOJ's civil investigative authority under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 may be issued only where there is an articulable suspicion of illegal activity being conducted or facilitated by the intended recipient of the subpoena. Without such action, banks' perception of "regulatory risk" will continue to deny financial services to legitimate and profitable businesses.

There is no place for a political agenda in oversight of the banking system, and Operation Choke Point must end once and for all. This abuse of government power is antithetical to the best interests of the banking industry, the US economy, and the consumers who rely on banking

products and services. This should not be a partisan issue: no administration Republican or Democratic should be able to use the administrative state to silence industries that they do not like.

We respectfully request your assistance in resolving this situation and look forward to your response.

Sincerely,



THOM TILLIS
United States Senate



MIKE CRAPO
United States Senate