

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

August 11, 2017

Honorable Jeb Hensarling
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Hensarling:

We write to implore you to utilize your power as Chairman of the Committee on Financial Services to issue a subpoena to Deutsche Bank. This request is well-founded. First, you have not responded to a letter sent to you on March 10 calling on you to initiate a thorough, objective, and bipartisan investigation – in part due to the fact that Attorney General Sessions is unable to lead a credible investigation into the matter – into the Russian money laundering scheme at Deutsche Bank (the Bank) to determine the nature of the scheme, who participated in it, and whether violations of U.S. law, beyond the failure to maintain appropriate anti-money laundering controls, may have occurred. Given your lack of response, on May 23 we wrote to Deutsche Bank’s CEO, John Cryan, requesting copies of documents relating to two internal reviews the Bank reportedly conducted of its Russian money laundering scheme as well as the personal accounts of President Trump and his family. While the Bank’s external counsel acknowledged our request for information, the bank refused to provide a substantive response.

In two letters sent to us in June, Deutsche Bank’s external counsel made clear that the primary reason they would not voluntarily provide us with the documents we requested was that our request was not made as part of a “duly authorized investigation” or by a “duly authorized committee or subcommittee.”^{1,2} Indeed, a June 29 letter from the Bank’s external counsel cited “a critical legal distinction between inquiries conducted pursuant to congressional rules adopted by duly-authorized committees, on the one hand, and informational requests made by individual members, on the other.”³ Significantly, while the Bank’s external counsel has refused to voluntarily comply with our request, the Bank did not dispute Congress’ right to compel the disclosure of the information we requested or its obligation to comply with requests made pursuant to duly-authorized investigations.

As you know, pursuant to the Rules of the House and the rules of our Committee, you are vested with the unilateral authority to compel Deutsche Bank to produce the information we requested through the issuance of a subpoena. As Chairman, you have routinely deployed your subpoena powers, issuing 21 subpoenas for documents and testimony just since April. Moreover, in a March 2, 2015 letter you wrote to Ranking Member Waters, you vigorously defended the usefulness and necessity of the subpoena power in conducting legitimate oversight in accordance with this “Committee’s constitutional oversight functions.”⁴ It is in furtherance of this Committee’s oversight responsibilities that we call on you to commence an investigation and to use your subpoena powers to obtain the documents that Deutsche Bank is currently withholding from the Committee.

¹ See Letter from Steven R. Ross and Leslie B. Kiernan, Akin Gump Strauss Hauer & Feld LLP To the Hon. Maxine Waters, et. al. (June 8, 2017)

² See Letter from Steven R. Ross and Leslie B. Kiernan, Akin Gump Strauss Hauer & Feld LLP To the Hon. Maxine Waters, et. al. (June 29, 2017)

³ Id.

⁴ See Letter from Hon. Jeb Hensarling, Chairman, H. Comm. On Fin. Serv. To the Hon. Maxine Waters, Ranking Member, H. Comm. On Fin. Serv. (March 2, 2015)

The fact remains that more than four months after we initially called on you to investigate Deutsche Bank's Russian money laundering scheme, we still do not know who participated or benefited, or whether the scheme was related to the broader money laundering scheme known as "The Global Laundromat."⁵ Similarly, Congress and the public remain unaware of why Deutsche Bank reportedly conducted a review to determine if loans made to the President were backed by guarantees from the Russian government or were in any way connected to Russia, given that they were made under "highly unusual circumstances."⁶ Getting to the bottom of these matters is not only consistent with our Committee's responsibility for overseeing the activities of the financial sector and ensuring compliance with anti-money laundering and counter-terrorist financing requirements, but is also critical to retaining the trust and confidence of Americans who rightfully question the threat to our democracy that could result from Russian financial and political interference.

These concerns are not merely theoretical. Rather, they are supported by the fact that the President's campaign is under a criminal investigation related to its potential collusion with the Russian government to influence the outcome of last year's presidential election. In addition, Deutsche Bank, the President's primary creditor, has a history of violations, including mortgage fraud, manipulating LIBOR and disregarding U.S. sanctions. All of these facts underscore the need for a bipartisan investigation into the Bank's Russian money laundering activity and its review of its unusual loans to the President, his family and his associates.

For these reasons, we ask that you issue a subpoena to Deutsche Bank specifically to compel the disclosure of the following information:

- 1) Copies of any document, record, memo, correspondence, or other communication related to the 2011 Russian mirror trading scheme, including:
 - a. The scope, purpose and conclusions of the Bank's reported internal review;
 - b. The names of all individuals and entities who participated in and/or benefited from the scheme, including but not limited to, individuals who are either subject to U.S. sanctions or are politically exposed persons as defined by guidance issued by the Federal Financial Institutions Examination Council;
 - c. The originator, source of funds, ultimate destination, and any beneficiaries of the funds transferred from Russia;
 - d. The extent to which any party who participated in and/or benefited from the scheme continue to maintain accounts or a relationship with Deutsche Bank;
 - e. The policies and procedures Deutsche Bank has in place, at account opening and on an ongoing basis, to manage the risks associated with high-risk customers, to include but not limited to individuals known to be at high-risk for engaging in bribery, corruption, and money laundering;
 - f. A list of employees within Deutsche Bank found to be involved in facilitating the scheme and the actions taken by Deutsche Bank to hold such individuals accountable; and
 - g. Any connections between the scheme and the broader scheme known as "The Global Laundromat," "the Russian Laundromat," or "The Moldovan Scheme," including the involvement of Deutsche Bank employees and customers.

⁵ Luke Harding and Nick Hopkins, *Bank that lent \$300m to Trump linked to Russian money laundering scam*, The Guardian (March 21, 2017), available at <https://www.theguardian.com/world/2017/mar/21/deutsche-bank-that-lent-300m-to-trump-linked-to-russian-money-laundering-scam>

⁶ Luke Harding, et. al., *Deutsche Bank examined Donald Trump's account for Russia links*, The Guardian (February 16, 2017), available at <https://www.theguardian.com/us-news/2017/feb/16/deutsche-bank-examined-trump-account-for-russia-links>

- 2) Copies of any document, record, memo, correspondence, or other communication related to any internal reviews of the personal accounts of the President and his family, including:
 - a. The scope, purpose, findings and conclusions of such reviews;
 - b. The underwriting of each loan made to President Trump and his immediate family members including all assets and guarantees used to collateralize such loans;
 - c. The timeframe when Deutsche Bank determined that Trump was a politically exposed person;
 - d. Transactions with any foreign-registered and/or foreign-owned businesses; and
 - e. All due diligence conducted by Deutsche Bank required by the Bank Secrecy Act regarding President Trump's high-risk transactions and high-risk customer factors, including but not limited to, potential ties to senior Russian political leaders, oligarchs, and organized crime leaders, as well as potential violations of U.S. sanctions and anti-bribery statutes.

We respectfully ask that you confirm whether you plan to issue a subpoena in accordance with our request, no later than August 25, 2017.

Sincerely,



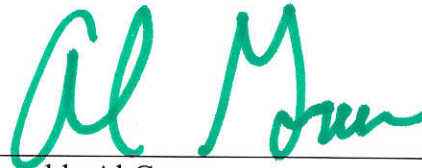
Honorable Maxine Waters
Ranking Member



Honorable Daniel T. Kildee
Vice Ranking Member



Honorable Gwen Moore
Ranking Member, Subcommittee on
Monetary Policy and Trade



Honorable Al Green
Ranking Member, Subcommittee on
Oversight and Investigations



Honorable Ed Perlmutter
Ranking Member, Subcommittee on
Terrorism & Illicit Finance

Enclosures: Letter from Akin Gump (June 8, 2017)
Letter from Akin Gump (June 29, 2017)