

Congress of the United States
Washington, DC 20515

February 6, 2015

The Honorable Jacob J. Lew
Secretary of Treasury
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20520

Dear Secretary Lew,

We write to request a meeting within the next two weeks to discuss the development of an emergency plan to address the acute shortage of lifesaving money transmission services to Somalia, and discuss how we can move toward a sustainable, longer-term framework for facilitating lawful money transfers through transparent channels.

The timing of this meeting is urgent. Last week, the largest financial institution currently providing wire transfer services to money services businesses serving Somalia notified their money services business clients that it was going to close their accounts on February 6, 2015 amid concerns that the institution is unable to adequately manage the risks associated with its remittance accounts serving countries in Africa, Central and Eastern Europe, and parts of Asia. As a result of this decision, money service businesses serving Somali-Americans say they are in the process of either closing most branches or drastically reducing the volume of remittances they are transmitting. We understand there are few practical substitute mechanisms left for transmitting remittances. Last year, according to an international NGO, more than \$215 million was sent from the U.S. to Somalia, most of which was used to meet basic humanitarian needs.

Decreasing remittances will exacerbate Somalia's humanitarian situation. Twenty-two aid organizations recently noted that about one-third of Somali families say they would not be able to afford basic food, medicines and school fees without help from their relatives abroad. Nearly all business startups in Somalia are funded by remittances, and with nearly three million Somalis already dependent on aid organizations, eliminating the ability to send money into Somalia could throw the country and its already vulnerable economy deeper into crisis.

Decreased remittances would also present greater security risks. As Somali President Hassan Sheikh Mohamud has said, cutting off money from the diaspora could significantly strengthen the appeal of terrorism and piracy for young Somali men. A disruption in remittances could reverse the limited gains that the Somali government and the international community has made to rid Somalia and the greater Horn of Africa of terrorism.


Somalis urgently need a solution. We call on the appropriate agencies, in collaboration with community and industry partners, to formulate a short-term plan to keep a remittances pipeline


open, as well as a longer-term plan to provide ongoing access to money transmissions services. For example, the State Department might be able to provide temporary remittances channels through its humanitarian programs. Financial regulators could be enlisted in efforts to facilitate solutions that build on the recommendations of State and the NSC, preserving the integrity of U.S. counterterrorism and anti-money laundering efforts while keeping open remittance pipelines through private or public mechanisms. Together, banking regulators could, if necessary, then promulgate formal joint guidance. The Federal Reserve Bank of New York could use its wire transfer service to provide remittances. The World Bank -- which has done so much over the years to reduce the costs of remittances from immigrant workers in the U.S. to their family members at home -- might be enlisted to help facilitate these efforts. All of these possibilities, and other creative alternatives, should be explored to find a solution to this crisis.


To protect our national security and avoid exacerbating a humanitarian crisis, we must identify an emergency solution to prevent the disruption of remittances to Somalia. We believe it is critical that every federal agency with jurisdiction on this issue must work toward formulating a sustainable framework for remittance payments as quickly as possible. We appreciate your attention to this issue, and we hope we will be able to meet with representatives of your agencies in the coming weeks.

Sincerely,


Keith Ellison
Member of Congress



Amy Klobuchar
United States Senator

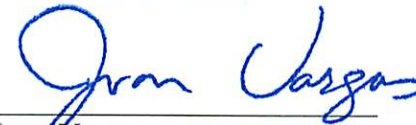

Maxine Waters
Member of Congress



Al Franken
United States Senator


Erik Paulsen
Member of Congress


Sherrod Brown
United States Senator


Stephen F. Lynch
Member of Congress


Juan Vargas
Member of Congress


Adam Smith
Member of Congress


Chellie Pingree
Member of Congress



Gwen Moore
Member of Congress



Barbara Lee
Member of Congress

Cc: The Honorable Jennifer Shasky Calvery, Director of the Financial Crimes Enforcement Network
The Honorable John F. Kerry, Secretary of State
The Honorable Susan Rice, National Security Advisor and Assistant to the President for National Security Affairs
The Honorable Martin J. Gruenberg, Chairman, Federal Deposit Insurance Commission
The Honorable Janet Yellen, Chair, Federal Reserve
The Honorable Debbie Matz, Chair, National Credit Union Administration
The Honorable Richard Cordray, Director, Consumer Financial Protection Bureau
The Honorable Thomas J. Curry, Comptroller, Office of the Comptroller of the Currency