



The Honorable John Kerry
Secretary of State
U. S. Department of State
Washington, D. C. 20520

Dear Secretary Kerry,

We are writing to ask for your swift and decisive action to address the emergency that is developing in the wake of the recent decision by the Merchants Bank of California, as well as other financial institutions, to terminate the accounts held by Somali American money transmitters. This decision will have devastating impacts on Somali communities throughout the United States, including in Washington State, and internationally. We urge you to work with Congress to develop an intervention plan that meets the financial service needs of our refugee communities today, while working towards a real, long-term solution to the problems associated with sending money overseas.

This is not a minor issue. Somalia is the destination of \$1.3 billion in overseas remittances every year, accounting for approximately one-quarter to one-half of the country's total economic activity. According to a recent report by Oxfam International, receipts from remittances exceed both humanitarian aid and development aid to Somalia. These funds help secure necessities such as food, clean water, and other essential provisions for everyday life. The abrupt cessation of remittances from the United States will create a ghastly humanitarian crisis in Somalia that resonates as far away as Washington State where thousands of Somali Americans serve as a vital lifeline to friends and family by sending regular financial payments abroad.

We, the undersigned, feel particularly aggrieved by this ongoing situation because Washington State statutes and regulations governing money transmitters are among the most rigorous in the country. In Washington, money transmitters must obtain a license as Money Service Businesses (MSBs) through a process that involves passing background checks, posting surety bonds to protect customers, as well as submitting business reports and cash flows on a regular basis to the Department of Financial Institutions. The Department monitors MSBs to ensure compliance with federal laws, including FinCEN registration, Anti-Money Laundering requirements, and regulations on currency transaction reporting and suspicious activity reporting.

To be sure, Washington State is fully committed to defeating terrorist activity wherever it arises. Yet, little evidence suggests that the remittances originating from Washington State are funding such activities. In fact, multiple inquiries by government entities and non-

governmental organizations have not revealed any major connection between remittances and terrorist activity. On the other hand, driving legitimate community-based money transmitters out of business will push these types of transactions underground where terrorist-linked activity will be more difficult and more expensive to root out and extinguish.

While Somali Americans may feel the current crisis most acutely, the underlying issues affect all remittances regardless of demography or destination. Washington State, long known as a Gateway to the Globe, is proud to be the home of diverse immigrant communities that also utilize money transmissions to support family members overseas in Mexico, the Philippines, Eastern Europe, and around the world. The hardship experienced in the Somali community following the termination of money transmitter bank accounts is a pain shared by all.

This situation is intolerable for Somali Americans here in Washington and across our nation as it should be for all humanitarians. We call upon you and upon Members of Congress to explore every avenue to protect and preserve the ability of our hard-working constituents to financially support their loved ones overseas through a legal and protected channel of international money transfers to Somalia.

Sincerely,

Senator Pramila Jayapal
37th Legislative District

Representative Sharon Tomiko Santos
37th Legislative District

Senator Rosemary McAuliffe
1st Legislative District

Representative Luis Moscoso
1st Legislative District

Senator Bob Hasegawa
11th Legislative District

Representative Lillian Ortiz-Self
21st Legislative District

Representative Cindy Ryu
32nd Legislative District

Representative Mia Gregerson
33rd Legislative District

Representative Eric Pettigrew
37th Legislative District

Senator John McCoy
38th Legislative District

Representative Jeff Morris
40th Legislative District

Representative Brady Walkinshaw
43rd Legislative District