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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

April 20, 2018

Michael Corbat
Chief Executive Officer
Citigroup
399 Park Avenue
New York, New York 10022

Dear Mr. Corbat:

I write to express my concern with Citigroup's U.S. Commercial Firearms Policy announced on March 22, 2018. It is my understanding that this is not the first industry to fall into disfavor with Citigroup. In 2015, Citigroup announced it was denying credit to coal mining companies.

It is deeply concerning to me when large national banks like Citigroup, which receive significant forms of government support and benefits, use their market power to manage social policy by withholding access to credit to customers and companies they disfavor.

Further, the collection of personally identifiable information (PII) by both the government and private companies like yours is something that has long troubled me. Many question how entities like Citigroup use the data collected and how such data is secured and protected. It appears that Citigroup may even be considering tracking and monitoring individual credit and debit transactions with respect to firearm purchases. This raises serious concerns about Citigroup's potential use of PII to monitor and deny financial services to individuals and companies who are engaging in completely legal and, in this case, Constitutionally-protected conduct.

The collection and use of PII will be a major focus of the Banking Committee moving forward, as there is broad-based interest on the Committee in looking into this. The people of the United States have a legitimate interest in protecting their personal privacy against both government and private sector abuse. It is important that Congress get a better understanding of what type of PII is being collected, by whom, and for what purposes.

Accordingly, please respond to the following:

- Describe what types of and how much PII Citigroup collects on individual consumers.
- Describe how many individual consumers' PII Citigroup possesses.
- Explain what Citigroup does with the PII it collects and possesses.

- Describe how Citigroup protects PII it possesses.
- Does Citigroup intend to use the PII it possesses, or may in the future possess, to track, monitor, or deny financial services to any individual consumers?
- Describe any plans currently under consideration to monitor and track firearm sales.
- In 2015, Citigroup announced it was reducing credit to coal mining companies. With the recent announcement regarding firearms, this is clearly a pattern for Citigroup. Provide a list of all legal transactions, industries, and businesses that Citigroup disfavors, prohibits, or boycotts, either currently or in the past.
- Provide further details on how Citigroup will monitor, implement, track, and enforce the restrictions announced on March 22 on its customers.
- List all outside groups and individuals consulted or contacted in determining the March 22 Commercial Firearms Policy.

During the Obama Administration, I fought against “Operation Choke Point,” an initiative in which Federal agencies devised and relied upon a list of politically disfavored merchant categories with the intent of “choking-off” these merchants’ access to payment systems and banking services. Operation Choke Point was deeply concerning because law-abiding businesses were targeted strictly for operating in an industry that some in the government disfavored. Under fear of retribution, many banks stopped providing financial services to members of these lawful industries for no reason other than political pressure, which took the guise of regulatory and enforcement scrutiny.

The Department of Justice has admitted that Operation Choke Point was inappropriate and claims that it has been terminated. In a letter, the DOJ stated that businesses should not be targeted simply for operating in an industry that a particular administration might disfavor. Now, the Superintendent of the New York State Department of Financial Services is warning banks and insurers against doing business with the firearm industry and the National Rifle Association. This raises concerns that New York is trying to implement its own version of Operation Choke Point.

I am concerned when government agencies use their power to try to cut off financial services for lawful businesses they may disfavor. I am also concerned when large national banks use their market power to for similar purposes. Such banks, including Citigroup, receive substantial government support and benefits and should not deny financial services to customers they disfavor to make social policy.

We should all be concerned if banks like yours seek to replace legislators and policymakers and attempt to manage social policy by limiting access to credit. I appreciate your prompt attention to this request.

Sincerely,



Mike Crapo
Chairman