



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

March 10, 2014

The Honorable Patrick J. Leahy
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510

RECEIVED MAR 11 2014

Dear Mr. Chairman:

This letter constitutes the Department of Justice's report to Congress pursuant to the reporting requirement in the Fraud Enforcement and Recovery Act of 2009 (FERA), Pub. L. No. 111-21, 123 Stat. 1617 (effective May 20, 2009). An identical letter has been sent to the Chairman of the House Judiciary Committee.

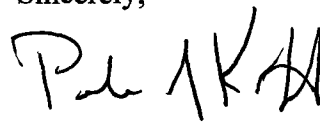
FERA included a "Sense of Congress" provision stating that money laundering prosecutions should be approved by a Department official if the conduct to be charged as money laundering was so closely connected with the conduct to be charged as the underlying "specified unlawful activity" that there was no clear delineation between the two offenses. FERA further provided that the Department submit annual reports to the House and Senate Committees on the Judiciary for the first five years after the date of FERA's enactment. Specifically, the Department is required to report (i) the number of prosecutions that were undertaken after approval by an appropriate official during the reporting year (May to May), (ii) the number of prosecutions that were undertaken during the reporting year without prior approval, and (iii) the number of times during the reporting year that the Department denied approval for a prosecution.

As a result of procedures established by the Assistant Attorney General of the Criminal Division and incorporated into the United States Attorneys' Manual, all federal prosecutors must consult with the Department's Asset Forfeiture and Money Laundering Section (AFMLS) prior to filing an indictment or complaint that includes a money laundering offense of the type described in FERA. During the period from May 2012 to May 2013, federal prosecutors consulted with AFMLS in hundreds of money laundering cases. Some of those cases involved the type of money laundering offense described in FERA, i.e., where the conduct to be charged as money laundering was closely connected with the conduct to be charged as the underlying "specified unlawful activity." With respect to those cases, the Department reports that: (i) one prosecution was undertaken after approval by an appropriate official; (ii) we are not aware of any prosecutions undertaken without prior approval; and (iii) the Department denied approval for prosecution in three cases.

The Honorable Patrick J. Leahy
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We hope this information is helpful. Please do not hesitate to contact this office if we may be of assistance with this, or any other matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Kadzik". The signature is written in a cursive, somewhat stylized font.

Peter J. Kadzik
Principal Deputy Assistant Attorney General

cc: The Honorable Charles E. Grassley
Ranking Minority Member