



## Congress Continues Wire Fraud Awareness Drumbeat

By James. E. Hyland, Esq.  
The Pennsylvania Avenue Group  
TLTA Federal Legislative Counsel  
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The Congress continues its drumbeat to raise the awareness level of wire fraud and encourage regulators to take action to reduce the incidence of this criminal activity.

Just last week, 33 senators, including Sen. Ted Cruz (R-TX) [signed a letter](#) to Federal Reserve Board Chair Jay Powell calling for greater action on this issue. A similar letter was sent by 43 house members in June, with five Texas members signing on. The Senate letter asked the Federal Reserve to make combating wire fraud a higher priority. It also suggested that the Federal Reserve look at the progress being made in the United Kingdom to address wire fraud and whether the United States can implement similar protocols such as effectively verifying the payee's name on a wire payment.

We know from the Federal Reserve's response to the House letter that the response fell short of what our industry was seeking. The Federal Reserve stated that "(payee matching) presents legal and operations challenges." They noted that the "bank is permitted to rely on the number as proper identification" and "to require otherwise would create significant operations obstacles to processing hundreds of thousands of wire payments that occur each day."

Because a large number of Senators (one-third of the Senate) are behind this latest effort, we are hopeful the Federal Reserve may be more responsive to Congressional concerns.

Nevertheless, this will not be the last word on this subject. On July 17, 2019, Congressman Henry Cuellar (D-TX) [wrote to the Secretary of the Treasury](#) urging the Secretary to act on a wire fraud report mandate in the legislation that funds the Treasury Department.

In late June, the U.S. House of Representatives passed the Financial Services Appropriations bill. In language as part of that legislation, the Appropriations Committee directed the Department of Treasury to "provide a report to the Committee, within 90 days of enactment of this Act, detailing ongoing activities to both combat and raise awareness of wire fraud in real estate." Congressman Cuellar took the extra step of bringing this directly to the attention of the Secretary of the Treasury, Steven T. Mnuchin through his [letter](#).

We anticipate we could see this report from the administration later in 2019 or early 2020. We thank Senator Ted Cruz and Congressman Henry Cuellar for their work thus far and will continue to work with these offices on this issue.