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One Hundred Seventeenth Congress
U.S. House of Representatives
Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515
www.foreignaffairs.house.gov

March 25, 2022

The Honorable Avril Haines
Director of National Intelligence
Office of the Director of National Intelligence
Washington, DC 20511

Dear Director Haines,

During the House Permanent Select Committee on Intelligence’s hearing on March 8, 2022, you noted that in regard to Russia, cryptocurrencies are “...a concern in relation to trying to avoid sanctions,” but that your assessment was that it would be “challenging” for Russia to completely undermine sanctions through the use of cryptocurrencies. While I agree with your assessment, I am concerned with any extent Russia could use cryptocurrencies or other digital assets, such as stablecoins, CBDCs, and NFTs, to avoid sanctions. It is important to understand any impact that digital assets have on U.S. sanctions and address challenges to their impact in a forward leaning manner.

For instance, it is reported that North Korea has used stolen cryptocurrency to fund its nuclear program and that Iran uses cryptocurrency mining to prop up its sanctioned economy. While neither North Korea nor Iran can completely avoid the impact of U.S. sanctions using digital assets, all incidences of sanctions evasion by malign actors are of concern. As such, I am interested to learn more about the details of your assessment on Russia’s ability to evade sanctions using digital assets, specifically:

1. Have you seen any indications thus far that Russia is using digital assets to evade sanctions? If so, to what extent?
2. To what extent can Russian officials and oligarchs use digital assets, like cryptocurrency, to evade sanctions as individuals?

On March 9, 2022, President Biden released Executive Order 14067 directing your office to work alongside the Treasury Department to develop a report addressing the foreign policy and national security implications that digital assets have and requesting that your office submit

supplemental annexes “offering additional views on illicit finance risks posed by digital assets, including cryptocurrencies, stablecoins, CBDCs, and trends in the use of digital assets by illicit actors.” I am requesting a briefing on the report and supplemental annexes, whether classified or unclassified, after their submission.

As the report and supplemental annexes will not be complete until the end of this year, I am interested to know at this time:

1. To what extent will the report and annex reflect cooperation with foreign partners?
2. To what extent will the report involve cooperation with digital asset trading platforms?
3. Will this report identify a lead government entity for coordinating policy on digital assets and their use in sanctions evasion?

I look forward to working alongside your office to strengthen U.S. foreign policy tools and ensure that Russia and other malign foreign actors cannot evade sanctions through the use of digital assets. If your staff has any questions, please have them contact House Foreign Affairs Committee staffer Taryn Woody at Taryn.Woody@mail.house.gov or (202) 226-8467.

Sincerely,



Michael T. McCaul
Ranking Member
House Foreign Affairs Committee