

United States Senate

WASHINGTON, DC 20510

April 15, 2026

The Honorable Todd Blanche
Acting Attorney General
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Acting Attorney General Blanche:

We write to seek information on the troubling and confusing decision by the Department of Justice and U.S. Attorney for the Southern District of New York to enter into a settlement agreement with Türkiye Halk Bankası (“Halkbank”) that discards years of prosecutorial efforts to prevent illegal funding of Iran’s government. Since 2019, the Department of Justice (“Department”) has alleged that Halkbank illegally helped Iran create a slush fund of more than \$20 billion through transactions, dating back to 2012, designed to evade U.S. sanctions and mislead U.S. regulators.¹ Now, the Department has agreed to a settlement that includes no admissions of responsibility by Halkbank, not a single dollar of fines or penalties, and no compensation for U.S. victims of state-sponsored terrorism. In contrast, every other publicly announced deferred prosecution agreement by this Administration has included millions of dollars in fines or forfeiture, except when the defendant could show an inability to pay.²

The timing of this agreement, coinciding with President Trump’s initiation of a war against Iran that he justified in part by citing Iran’s history of terrorist attacks against U.S. citizens, makes the Department’s decision even more incomprehensible. We also note President Trump’s and President Recep Tayyip Erdoğan’s personal, financial, and familial interests in ending the prosecution.

As you know, the Department’s decision to dismiss the charges comes after years of litigation involving allegations that Halkbank knowingly participated in a scheme to evade U.S. sanctions on Iran.³ In 2019, federal prosecutors, including Emil Bove, charged the bank with fraud, money

¹ Press Release, U.S. Dept. of Justice, Turkish Bank Charged in Manhattan Federal Court for Its Participation in a Multibillion-Dollar Iranian Sanctions Evasion Scheme (Oct. 15, 2019) (on file with author); Indictment at 6, *United States v. Türkiye Halk Bankası*, 2020 WL 5849512 (S.D.N.Y. 2020) (No. 1:15-cr-00867).

² See *Press Releases*, U.S. DEPT. OF JUSTICE, https://www.justice.gov/news/press-releases?search_api_fulltext=+deferred+prosecution+agreement&start_date=&end_date=&sort_by=search_api_relevance (last visited April 15, 2026); Luc Cohen & Jonathan Stempel, *Turkey’s Halkbank settles US criminal case over Iran sanctions violations*, REUTERS (Mar. 9, 2026), <https://www.reuters.com/business/finance/turkeys-halkbank-us-justice-department-deferred-prosecution-agreement-judge-says-2026-03-09/>.

³ Luc Cohen & Jonathan Stempel, *Turkey’s Halkbank settles US criminal case over Iran sanctions violations*, REUTERS (Mar. 9, 2026), <https://www.reuters.com/business/finance/turkeys-halkbank-us-justice-department-deferred-prosecution-agreement-judge-says-2026-03-09/>.

laundering, and conspiracy for allegedly helping Iran access the global financial system through money servicers and front companies operating in Iran, Turkey, and the United Arab Emirates.⁴ According to the indictment, Halkbank, primarily through senior executives Mehmet Hakan Atilla, Levent Balkan, and Suleyman Aslan, knowingly engaged in a scheme of fraudulent transactions intended to deceive U.S. regulators and foreign banks, and mislead U.S. officials.⁵ Prosecutors also alleged that high-ranking officials in Iran and Turkey participated in and protected this scheme, with some receiving bribes worth tens of millions of dollars from the scheme.⁶ The scheme allegedly relied on accounts at Halkbank that were held in the names of the Central Bank of Iran, the National Iranian Oil Company, and the National Iranian Gas Company, containing proceeds from Iranian oil and gas sales to Turkey.⁷

Because U.S. sanctions and anti-money laundering restrictions limited Iran's ability to access these funds, Halkbank purportedly used gold purchases, front companies, and sham humanitarian aid to move funds for Iranian government entities while concealing the Iranian connection from the United States.⁸ The sanctions evasion scheme, involving billions of dollars, was a critical financial lifeline for the Iranian regime during the same years it carried out wide-scale global terrorist activities, which included the kidnapping, torture, and murder of Americans. As the government's own attorneys noted in the sentencing memorandum for criminal co-defendant Atilla, hundreds of millions of dollars worth of these illicit financial transactions were processed by U.S. banks.⁹

These allegations are not simply unproven charges. The Department has already convicted two individuals for their actions in the sanctions evasion scheme, which a federal prosecutor told the presiding judge was "massive" in scope and "the biggest sanctions evasion case prosecuted in the United States that we're aware of."¹⁰ During the Biden Administration, the Department continued the prosecutions and considered this case significant enough to litigate Halkbank's claims of sovereign immunity all the way to the Supreme Court. The Supreme Court rejected Halkbank's immunity claim and, in May 2025, the Second Circuit Court of Appeals rejected a second argument that Halkbank could be immune from prosecution for criminal conduct.¹¹

⁴ Press Release, U.S. Dept. of Justice, Turkish Bank Charged in Manhattan Federal Court for Its Participation in a Multibillion-Dollar Iranian Sanctions Evasion Scheme (Oct. 15, 2019), <https://www.justice.gov/archives/opa/pr/turkish-bank-charged-manhattan-federal-court-its-participation-multibillion-dollar-iranian>.

⁵ Indictment at 4-5, *United States v. Türkiye Halk Bankasi*, 2020 WL 5849512 (S.D.N.Y. 2020) (No. 1:15-cr-00867).

⁶ *Id.* at 2.

⁷ *Id.* at 3.

⁸ Press Release, *Turkish Bank Charged in Manhattan Federal Court for Its Participation in a Multibillion-Dollar Iranian Sanctions Evasion Scheme*, U.S. DEPT. OF JUSTICE, (Oct. 15, 2019), <https://www.justice.gov/archives/opa/pr/turkish-bank-charged-manhattan-federal-court-its-participation-multibillion-dollar-iranian>.

⁹ Govt. Sentencing Memorandum at 20, *United States v. Atilla*, 2018 WL 798878 (S.D.N.Y. 2018).

¹⁰ Pete Brush, *Turkish Banker Gets Short Prison Term For Sanctions Busting*, LAW360 (May 16, 2018), <https://www.law360.com/articles/1044231/turkish-banker-gets-short-prison-term-for-sanctions-busting>.

¹¹ *Türkiye Halk Bankasi v. United States*, 598 U.S. 264, 267 (2023).

Now, the Department has determined that Halkbank need not take responsibility for its criminal conduct. On March 6, 2026, the Department entered into a deferred prosecution agreement with Halkbank, agreeing to dismiss the longstanding indictment without the company paying a single dollar in fines, forfeiture, or restitution.¹² To get the charges dismissed, Halkbank will merely pay an expert to review its *current* sanctions and anti-money laundering compliance programs and agree to avoid transactions involving Iran through the U.S. financial system, which is hardly a concession considering such transactions are already illegal.¹³

If Halkbank then submits a compliance report that the Department deems to be sufficient, the government will then dismiss the indictment with prejudice, papering over a massive criminal scheme while ensuring that none of the proceeds will go to the American victims of Iranian state-sponsored terrorism.¹⁴

The Department's decision here is particularly troubling given the national security interests implicated. The Department justified its deferred prosecution agreement by citing "unique and extraordinary" foreign policy considerations and ongoing diplomatic negotiations.¹⁵ While the government claims that Turkey was involved in securing the return of the October 7, 2023, hostages from Hamas, the living hostages have now returned to their families, casting doubt on this foreign policy motivation.¹⁶

As to additional policy considerations, Halkbank is majority-owned by Turkey's state-owned wealth fund and therefore an instrumentality of a foreign state.¹⁷ This carries the uncomfortable implication that support for Iranian state-sponsored acts of terrorism in Turkey is not confined to a rogue private institution but is state-sanctioned. By deferring this case rather than dismissing it, the Department is in effect arguing both that the Government of Turkey was involved in facilitating Iranian support to terrorist organizations—which funded the Hamas leadership responsible for the October 7 attacks against Israel, notably also resulting in the death of 46 Americans—and also is providing key assistance to the U.S. Government to bring about an end of the ensuing war.¹⁸ This is an untenable position; we must strengthen, rather than undermine, our sanctions regime and opposition to Iran's state-sponsored terrorism.

¹² DPA Mot., 1, *United States v Türkiye Halk Bankasi*, No. 15 Cr. 867 (S.D.N.Y. 2026).

¹³ *Id.* at 5.

¹⁴ *Id.* at 13.

¹⁵ *Id.* at 1.

¹⁶ *Who Are the Hostages Still Held By Hamas?*, AJC (Jan. 26, 2026), <https://www.ajc.org/news/who-are-the-hostages-still-held-by-hamas>.

¹⁷ *Halkbank: Second Circuit Holds Foreign State-Owned Entities Not Immune from Prosecution for Commercial Activity*, DEBEVOISE & PLIMPTON (Oct. 31, 2024), <https://www.debevoise.com/insights/publications/2024/10/halkbank-second-circuit-holds-foreign-state-owned>.

¹⁸ Max Melzer, *Documents unearthed by Israel suggest Iran began organising funding for Hamas' October 7 attacks in 2021*, SKY NEWS AUSTRALIA (Oct. 13, 2024), <https://www.skynews.com.au/world-news/global-affairs/documents-unearthed-by-israel-suggest-iran-began-organising-funding-for-hamas-october-7-attacks-in-2021/news-story/7dc4edd322fef499457c03491601459b>; CONG. RSCH. SERV., IF12549, *HAMAS: BACKGROUND, CURRENT STATUS, AND U.S. POLICY I* (2023).

Most galling, this toothless settlement with Halkbank overturns the professional judgment of former Department officials to satisfy President Trump’s personal agenda. Prior reporting notes that Erdoğan had family members and government ministers who were potentially liable under the prosecution and that President Trump had personal business dealings in Turkey including at least \$2.6 million in income tied to operations in Turkey between 2015 and 2018.¹⁹ Following Erdoğan’s visit to the White House in September 2025, Erdoğan reportedly raised the Halkbank prosecution with President Trump, who assured him that “the Halkbank problem is over for us.”²⁰ The current resolution follows years of Turkey pressuring President Trump, who then, in turn, pressured the Department to make the case go away.²¹ As a result, the outcome here is even worse than what then-Attorney General William Barr proposed in 2020, which was to settle the multibillion-dollar sanctions scheme with a criminal fine and admission of wrongdoing, a plan that did not stick because of the efforts of then-U.S. Attorney for the Southern District of New York, Geoffrey Berman.²² Berman resisted pressure from Barr and other senior Department officials, including then-Acting Attorney General Matthew Whitaker, to agree to a resolution he considered insufficient.²³ President Trump ordered Berman’s removal in June 2020 and installed leadership more receptive to his personal and political priorities.²⁴

Finally, the Department’s decision not to prosecute Halkbank also raises concerns about justice for American victims of state-sponsored terrorism. Department policy has long prioritized recovering funds for victims. Under the Criminal Division’s new Corporate Enforcement Policy announced on March 10, 2026, a company with a declined prosecution is “required to pay all disgorgement forfeiture as well as restitution/victim compensation payments resulting from the misconduct.”²⁵ This policy is a sharp contrast to the Halkbank settlement, which provides no money at all. Such monetary penalties recovered in sanctions and terrorism-related cases do not have a solely punitive purpose. Crucially, financial fines and penalties in sanctions cases also support victim compensation through mechanisms such as the U.S. Victims of State Sponsored Terrorism Fund.²⁶ These funds are often one of the only ways for victims of state-sponsored

¹⁹ Eric Lipton & Benjamin Weiser, *Turkish Bank Case Showed Erdogan’s Influence With Trump*, THE NEW YORK TIMES (Oct. 29, 2020), <https://www.nytimes.com/2020/10/29/us/politics/trump-erdogan-halkbank.html>.

²⁰ ‘Halkbank problem over for us,’ *President Erdogan unveils Trump’s remarks on sanctions case*, TÜRKIYE TODAY (Oct. 8, 2025), <https://www.turkiyetoday.com/business/halkbank-problem-over-for-us-president-erdogan-unveils-trumps-remarks-on-sanctions-ca-3208133>; Aahmer Madhani, *Trump hosts Turkey’s Erdogan as US considers lifting F-35 ban*, AP NEWS (Sep. 25, 2025), <https://apnews.com/article/trump-erdogan-white-house-visit-396fa12409880baa28982d93c73f53f1>.

²¹ Eric Lipton & Benjamin Weiser, *Turkish Bank Case Showed Erdogan’s Influence With Trump*, THE NEW YORK TIMES (Oct. 29, 2020), <https://www.nytimes.com/2020/10/29/us/politics/trump-erdogan-halkbank.html>.

²² *Id.*

²³ *Id.*

²⁴ *Trump ousts Manhattan U.S. attorney who investigated president’s associates*, THE WASHINGTON POST (June 20, 2020), https://www.washingtonpost.com/politics/geoffrey-berman-us-attorney-william-barr-trump/2020/06/20/fcbfa3b4-b30f-11ea-8758-bfd1d045525a_story.html.

²⁵ *Corporate Enforcement and Voluntary Self-Disclosure Policy*, U.S. Dept. of Justice (Mar. 10, 2026), <https://www.justice.gov/dag/media/1430731/dl?inline>.

²⁶ *Welcome to the U.S. Victims of State Sponsored Terrorism Fund*, DOJ U.S. VICTIMS OF STATE SPONSORED TERRORIST FUND, <https://www.usvsst.com> (last visited April 15, 2026).

terrorism and their families to be compensated for severe and lifelong harm, particularly given the impossibility of directly recovering against the assets of state sponsors of terrorism. According to a report by the Government Accountability Office, that Fund’s balance has been declining due to “lower deposits from civil and criminal penalties, fines and forfeitures.”²⁷ A resolution that forgoes financial penalties further limits the already scarce resources available to those victims, many of whom have already faced significant barriers to recovery.²⁸ In fact, ahead of the court’s ruling, over 400 victims of state-sponsored terrorism expressed their concern for the Department’s agreement, highlighting its lack of financial penalty in an impact statement to Judge Berman. As they wrote, “the government is essentially redirecting resources that were statutorily intended for the victims of the very terrorism the sanctions were designed to thwart.”²⁹

Considering the significant national security, foreign policy, and justice-related concerns posed by your ending the prosecution of Halkbank, as well as concern about the Department’s broader commitment to enforcing sanctions laws designed to protect U.S. national security, we request answers to the following questions by no later than April 30, 2026:

1. Unlike a typical deferred prosecution agreement with a term of several years, the Halkbank settlement does not include any clear statement of when the agreement will expire such that the government would dismiss charges. How long do you expect Halkbank to show its ongoing compliance with sanctions laws?
2. Please detail the Department’s assessment of how the funds laundered through Halkbank were used by Iran or its proxies, including any portion that supported acts of terrorism against Americans. What methodology did the Department use to determine the extent of this connection?
3. Was dismissing the Halkbank prosecution a condition of Turkey’s assistance in Gaza, and if so, what was the potential financial value to the Turkish government?
4. Given that the Halkbank resolution includes no fine, forfeiture, or restitution, please explain how the Department intends to ensure consistent and meaningful compensation for victims of state-sponsored terrorism through the U.S. Victims of State Sponsored Terrorism Fund, which relies on deposits from sanctions-related cases. What alternative funding mechanisms did the Department identify?”

²⁷ U.S. GOV’T ACCOUNTABILITY OFF., GAO-24-106863, U.S. VICTIMS OF STATE SPONSORED TERRORISM FUND: OPTIONS FOR INCREASING DEPOSITS AND THEIR POTENTIAL IMPACTS (2024).

²⁸ U.S. GOV’T ACCOUNTABILITY OFF., GAO-24-106863, U.S. VICTIMS OF STATE SPONSORED TERRORISM FUND: OPTIONS FOR INCREASING DEPOSITS AND THEIR POTENTIAL IMPACTS (2024).

²⁹ Impact Statement from Victims of State Sponsored Terrorism to the Honorable Richard Berman (Mar. 10, 2026).

5. How will the use of an independent and expert evaluation for Halkbank further national security interests through “combatting money laundering and terror finance?”³⁰
6. Is the Department concerned about whether dismissing this case will signal to foreign financial institutions, foreign governments, and other perpetrators of fraud that they can undermine our sanctions and anti-corruption laws so long as they please President Trump?
7. Please explain how the Department assessed the potential impact of this resolution on future deterrence of sanctions evasion and the enforcement of U.S. sanction laws.
8. Considering that U.S. troops are currently engaged in a war in Iran, how will the Department guarantee that Halkbank is no longer laundering funds that could fund the Iranian regime’s war effort?
9. Did the Department receive guidance, directly or indirectly, from the president or other political officials regarding the resolution of this case?
 - a. Were any communications made between the White House and the Department of Justice regarding Halkbank in the period leading up to the resolution?
10. If a foreign head of state is alleged to have had some influence on the resolution of a case, how does the Department ensure thorough investigation of this influence and prosecutorial independence?
11. At the time of the agreement was the Department aware of President Erdoğan’s political and familial ties to individuals who would be potentially liable under the prosecution?

Sincerely,



Adam B. Schiff
United States Senator

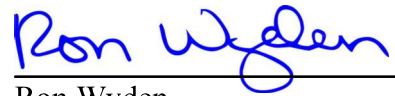


Richard Blumenthal
United States Senator

³⁰ DPA Mot., 2, *United States v Türkiye Halk Bankasi*, No. 15 Cr. 867 (S.D.N.Y 2026).



Charles E. Schumer
United States Senator



Ron Wyden
United States Senator



Raphael Warnock
United States Senator