View on [our website](#).

GIBSON DUNN

Anti-Money Laundering Update July 20, 2026

Mid-Year Developments in Anti-Money Laundering in 2026

This mid-year update covers the most significant developments across five key areas of anti-money laundering (AML) regulation and enforcement during the first half of 2026.

The first half of the year reflects a continued focus by enforcement authorities on combating fraud and protecting national security, and a willingness to deploy AML tools toward those ends. The Trump Administration has issued new guidance and proposed rules seeking to centralize aspects of AML supervision and enforcement, created specialized task forces, and sought to enhance interagency coordination on AML regulation and enforcement. The federal government is also seeking additional information from the private sector, both via new guidance for financial institutions to share information and via a proposed rule. We close this alert by describing notable judicial decisions affecting AML enforcement, and recent state enforcement developments.

I. Enforcement Focus on National Security and "Debanking"

Enforcement activity in the first half of 2026 illustrates the Trump Administration's continued focus on ensuring companies have robust, effective AML and countering the financing of terrorism (CFT) programs, its effort to align prosecutions with its announced policy priorities—namely, national security and trade—and its interest in investigating so-called "debanking" in the financial services sector.

a. <u>Corporate Non-Prosecution Agreement for AML Violations</u>

On June 30, 2026, the U.S. Attorney's Office for the Middle District of Pennsylvania and the Money Laundering, Narcotics, and Forfeiture Section (MNF) of the Criminal Division entered into a non-prosecution agreement (NPA) with EagleBank and its parent company, Eagle Bancorp, Inc., for willfully failing to establish an effective AML/CFT program.[1] According to the press release issued by the Department of Justice (DOJ), EagleBank knowingly allowed certain favored clients to operate a check kiting scheme, a form of fraud that takes advantage of the delay in check processing, due in part to the then-CEO and Chairman and the then-Chief Credit Officer "repeatedly over[riding] the efforts of compliance personnel to close the accounts and end the illicit conduct."[2] EagleBank agreed to pay approximately $9.7 million in fines and forfeiture, strengthen its AML/CFT program, and cooperate and report violations of law for one year.[3]

Notably, the relevant conduct began nearly two decades ago in 2008, and ended in 2021, and the NPA follows in the wake of other enforcement actions involving the same individuals. The lead customer involved in fraudulent conduct pleaded guilty to bank fraud in November 2020,[4] and was sentenced to 40 months in prison in 2024.[5] The Federal Reserve and the Securities and Exchange Commission also collectively fined EagleBank and Eagle Bancorp $22.9 million and the former CEO and Chairman $521,000 for "deficient internal controls over insider lending practices and insufficient third-party risk management controls."[6] This history illustrates that control failures can span multiple substantive areas, and companies should think through all potential agencies when resolving such matters. Finally, this agreement illustrates the symbiotic relationship between the Middle District of Pennsylvania and DOJ's headquarters money laundering office, the MNF, which have partnered to bring large AML and sanctions investigations in recent years.

b. <u>National Security Concerns Continue to Drive Enforcement</u>

Two notable enforcement updates illustrate the Administration's continued focus on national security, and in particular, connections to Iran.

On March 6, 2026, DOJ filed two civil forfeiture complaints in the District of Columbia against more than $15.3 million allegedly used to fund an illicit Iranian oil distribution network.[7] According to the government, Mohammad Hossein Shamkhani (Shamkhani) operated a network of companies and individuals that sold and shipped Iranian oil and other commodities in violation of U.S. sanctions imposed under the International Emergency Economic Powers Act (IEEPA).[8] The two complaints target funds tied to specific entities within the network, such as a layered corporate structure intended to "maintain a 'brand' that was not publicly perceived to be affiliated with Shamkhani or Iran."[9] The case is being handled by MNF, the U.S. Attorney's Office for the District of Columbia, and the National Security Division's Counterintelligence and Export Controls Section.[10]

In addition, on March 23, 2026, the U.S. Attorney's Office for the Southern District of New York announced a settlement resolving a long-running civil forfeiture case that played a significant role in inspiring the Corporate Transparency Act (CTA). The settlement will result in the payment of about $318 million to hundreds of victims of Iranian state-sponsored terrorism.[11] The litigation commenced in 2008 when the government sought forfeiture of the interests in the building located at 650 Fifth Avenue in Manhattan, held by the Alavi Foundation and by Assa Corporation. Pursuant to the settlement, the Alavi Foundation is transferring its interest in the 650 Fifth Avenue partnership to a Delaware-based charitable entity, and the 650 Fifth Avenue partnership is transferring its assets to a newly formed real estate holding company, each distinct from the prior owners.[12]

The *650 Fifth Avenue* forfeiture case was cited in connection with debates about the CTA, which required covered companies to report their beneficial owners to FinCEN, thereby limiting the impact of anonymous shell and front companies that could obscure ownership. The bill's lead sponsor, then-Representative Carolyn Maloney, promoted the legislation outside 650 Fifth Avenue, pointing to the building's concealed Iranian ownership as an example of how anonymous shell companies can facilitate terrorist financing, money laundering, and sanctions evasion.[13] As discussed in our prior updates,[14] the CTA's beneficial ownership reporting regime has since been substantially narrowed: following litigation and an interim final rule issued in March 2025, the reporting requirement now applies only to foreign companies registered to do business in the United States.[15]

c. <u>DOJ Subpoenas Regarding Alleged "Debanking"</u>

On June 10, 2026, it was reported that the U.S. Attorney's Office for the District of Columbia had issued subpoenas to several of the nation's largest banks seeking information about whether the banks had "debanked" clients for political reasons.[16] In an Executive Order last year, President Trump identified "politicized or unlawful debanking" as an action taken by a financial institution to directly or indirectly adversely restrict or modify access to financial services on the basis of the customer's political or religious beliefs or lawful business activity.[17] The Executive Order directed federal banking regulators to identify financial institutions that engaged in "politicized or unlawful debanking," to take remedial action including fines, and to refer certain debanking decisions to the Attorney General.[18] According to reports, the subpoenas requested the names of individuals who were allegedly debanked along with information about why the banks closed their accounts.[19] The U.S. Attorney's Office reportedly opened its investigations on its own initiative rather than pursuant to an OCC referral, though the two offices are reportedly coordinating.[20] The government is reportedly evaluating whether the banks' conduct may have violated laws such as the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.[21]

d. <u>Civil Enforcement</u>

On March 6, 2026, FinCEN assessed an $80 million civil money penalty—the largest Bank Secrecy Act (BSA) penalty ever imposed against a broker-dealer—against Canaccord Genuity LLC for willful BSA violations.[22] According to FinCEN, Canaccord was well-positioned as a market maker to detect red flags in the securities for which it provided trading services, but its under-resourced AML program was not proportional to the risks of its business model.[23] As a result, Canaccord allegedly failed to timely detect and report suspicious activity by numerous high-risk customers, including a customer later barred from the penny stock industry by the SEC, a customer who allegedly helped Russian oligarchs move money out of Russia, and a customer implicated in OFAC investigations.[24]

In addition, on April 24, 2026, the OCC issued a consent order against Community Federal Savings Bank, a New York federal savings association, to address alleged deficiencies in the bank's AML program.[25] According to the OCC, the bank significantly grew its payment processing line beginning in 2020, generating increased cross-border activity involving foreign financial institutions without developing proportionate controls and risk management processes.[26] The order states that its findings are largely unrelated to digital-asset-related activities.[27] The bank committed to several corrective actions, including appointing a compliance committee to oversee those actions, submitting an action plan to bring the bank into compliance with AML laws, hiring a consultant to conduct a BSA-program assessment, and enhancing its AML program.[28] The bank also agreed to retain a consultant to conduct a SAR look-back of the bank's prior suspicious activity monitoring and reporting efforts to determine whether additional SARs should be filed or existing filings require correction.[29]

II. Enhanced Focus on Combating Fraud

Enforcement actions and structural changes within the Executive Branch confirm that fraud remains a priority for both FinCEN and DOJ, as well as other agencies,[30] and that these agencies will use AML laws to help combat fraud. The Administration's approach reflects three recurring themes: (1) concentrating authority, (2) enhancing coordination where authority remains shared, and (3) seeking to enlist private companies and individuals to help detect and disrupt fraud.

a. FinCEN Actions

FinCEN has advanced the Administration's priority of detecting and preventing fraud through several recent actions. For instance, on January 9, 2026, Secretary of the Treasury Scott Bessent announced a series of actions by FinCEN against money services businesses located in Minnesota.[31] As of that date, FinCEN had issued four notices of investigation, issued an alert regarding the identification and reporting of fraud related to federal child nutrition programs, and issued a Geographic Targeting Order requiring banks and money transmitters in Minnesota to report additional information.[32] The IRS also announced it was auditing financial institutions that allegedly facilitated the laundering of Minnesota funds.[33]

On June 12, 2026, FinCEN issued guidance clarifying how financial institutions may share information with one another regarding suspected fraud.[34] The guidance addresses the permissibility, circumstances, and manner of real-time information sharing under section 314(b) of the USA PATRIOT Act, which encourages voluntary information sharing by creating a safe harbor that shields financial institutions from liability.[35] The new guidance clarifies that fraud offenses qualify as specified unlawful activities underlying money laundering and therefore fall within the safe harbor, along with the other predicate acts enumerated in 18 U.S.C. § 1956.[36] In addition, the guidance provides that institutions may share information based on a mere suspicion of fraudulent activity, without identifying specific proceeds of fraud, and that institutions may share information about both attempts to engage or induce others to engage in transactions as well as completed transactions.[37] When filing a suspicious activity report, institutions are encouraged to note any reliance on section 314(b), enabling FinCEN to identify examples of the program's benefits.[38]

b. DOJ Fraud Task Forces

Two Executive Orders issued in March 2026 illustrate how DOJ has prioritized prosecution of fraud and related activity. Although the new task forces are not AML initiatives, they are likely to have significant implications for AML compliance. First, because fraud remains a principal predicate offense for money laundering, financial institutions can expect greater reliance on BSA reporting, transaction monitoring, and financial intelligence to identify, trace, and recover criminal proceeds. Second, the additional resources devoted to tracing and recovering fraud proceeds can lead to increased scrutiny of financial institutions serving alleged fraudsters, evolve into parallel BSA or AML compliance investigations, and increase forfeiture risk.

First, President Trump issued Executive Order 14395, "Establishing the Task Force to Eliminate Fraud," which created a whole-of-government effort chaired by Vice President Vance to eliminate fraud, waste, and abuse within federal benefit programs.[39] Consistent with that directive, DOJ established the National Fraud Enforcement Division, headed by Assistant Attorney General Colin McDonald,[40] by combining the Criminal Division's Tax Section, Health Care Fraud Unit, and Market, Government, and Consumer Fraud Unit into the new Division.[41] The realignment also incorporates the Criminal Division's Appellate Section and the MNF to support, advise, and litigate on behalf of the Division.[42]

Second, President Trump signed an Executive Order directed at cybercrime, fraud, and predatory schemes carried out by foreign-based criminal networks targeting Americans.[43] These investigations are particularly relevant to AML-regulated entities because online fraud schemes typically depend on banks, payment processors, cryptocurrency platforms, and money transmitters to move and conceal criminal proceeds. The Order directed the Attorney General to "continue to prioritize prosecutions of defendants engaged in cyber-enabled fraud, including scam centers and sextortion schemes, and . . . pursue the most serious, provable offenses encompassed by such fraudulent schemes."[44]

The Administration has utilized the Scam Center Strike Force, and collaboration with the private sector, to execute this directive. These actions underscore DOJ's increasing reliance on voluntary cooperation from financial institutions, technology companies, and other private-sector participants to identify fraud infrastructure, trace illicit funds, and disrupt criminal networks before charges are filed. For example, in April 2026, the Strike Force announced its seizure of a Telegram channel used to recruit human trafficking victims to a scam compound in Cambodia, and multiple private-sector partners voluntarily took internal investigative measures to disrupt the fraud operating on their systems.[45] Similarly, on June 3, 2026, DOJ announced the results of a collaboration with the private sector, after numerous companies identified infrastructure used to defraud Americans and disrupted scam actors.[46]

III. Policy, Rules, and Guidance

The Administration—and FinCEN in particular—has actively advanced its priorities through proposed rules and other agency guidance. Collectively, these rules and notices demonstrate the Administration's continued focus on modernizing and reducing regulatory burdens in the AML and sanctions spaces, while also using AML and sanctions tools to pursue other policy priorities, such as combating transnational criminal organizations and countering Iran.

a. Consolidation

On April 7, 2026, FinCEN issued a notice of proposed rulemaking to modernize the BSA and implement provisions of the AML Act of 2020 (Proposal).[47] The Proposal supersedes FinCEN's prior 2024 proposed rule to implement provisions of the AML Act of 2020, and would fundamentally reform financial institution programs designed to fight illicit finance.[48] FinCEN intends the Proposal to modernize the AML/CFT programmatic framework by promoting risk-based programs and consistency across banks and financial institutions, leading to more effective outcomes for financial institutions and law enforcement. For more information regarding the Proposal, see our separate client alert.

Notably, consistent with other efforts within the Administration to align policies across agencies within the federal government,[49] the Proposal would expand FinCEN's role by requiring banking regulators to provide FinCEN at least 30 days' notice, and an opportunity to provide input, before taking any "significant supervisory action," defined as formal determinations identifying AML/CFT program deficiencies or violations.[50] It would raise the threshold for enforcement and significant supervisory action by introducing a two-pronged framework distinguishing program "establishment" from "maintenance," under which actions premised on maintenance failures would be limited to "significant or systemic" failures to implement an effective AML/CFT program.[51] And it would allow financial institutions room to make reasonable resource-allocation decisions based on risk; the proposed rule "does not contemplate regulatory second-guessing of a financial institution's reasonable determinations regarding appropriate resource allocation or conclusions regarding specific risks."[52]

b. FinCEN's Proposed Whistleblower Rule

On April 1, 2026, FinCEN published a notice of proposed rulemaking that would formalize the whistleblower program codified by the Anti-Money Laundering Act of 2020 and the Anti-Money Laundering Whistleblower Improvement Act of 2022 (Proposed Whistleblower Rule).[53] The Proposed Whistleblower Rule would allow potential whistleblowers to report original information about a violation of the BSA, IEEPA, Trading With the Enemy Act of 1917 (TWEA), and the Foreign Narcotics Kingpin Designation Act to the Treasury Department, the Department of Justice, or their employer. If the information results in a monetary sanction exceeding $1,000,000, the whistleblower would qualify for a reward of up to 30% of the monetary sanctions collected.[54] Notably, despite the lack of formal regulations, the Office of the Whistleblower has been active since the passage of the Anti-Money Laundering Act.

The Proposed Whistleblower Rule only applies to individuals; legal entities are not eligible, nor are certain categories of individuals, including certain government or self-regulatory organization employees, individuals convicted of related criminal violations, and foreign officials.[55] Notably, the Proposed Whistleblower Rule would also allow an employer's audit and compliance personnel to become whistleblowers, but these personnel would be subject to a 120-day waiting period, allowing employers with strong compliance programs "the opportunity to review and assess information" and, where appropriate, "voluntarily disclose the information to the government."[56] It would prohibit employers from retaliating against whistleblowers, and more generally would prohibit people from impeding potential whistleblowers' communications with the government, including through confidentiality agreements or other employment contracts.[57]

FinCEN's proposed rule is consistent with both broader promotion of whistleblower programs and voluntary self-reporting efforts and the Administration's focus on anti-money laundering laws and trade and economic sanctions laws.[58] While the final rule is subject to change, the proposal underscores the continuing importance of strong reporting channels and compliance programs.

c. Proposed Rules Implementing the GENIUS Act

In 2026, the Department of the Treasury proposed AML-related rules pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).[59] In April, FinCEN and the Office of Foreign Assets Control (OFAC) proposed a rule to implement the GENIUS Act's requirement that permitted payment stablecoin issuers (PPSIs) be treated as financial institutions for the purposes of the BSA and be subject to new sanctions compliance program requirements.[60] This rule incorporates FinCEN's separate Proposal, discussed above in Section III.a, revising AML/CFT program obligations[61] but modifies some aspects to address the GENIUS Act's specific provisions.[62] It also includes proposed sanctions compliance program requirements under OFAC's regulations. In coordination with federal bank regulators, FinCEN also proposed a rule to address PPSIs' Customer Identification Program (CIP) requirements, which would specifically require that PPSIs establish and maintain a written, risk-based customer identification program appropriate for their size and business.[63] The proposed CIP rule would require PPSIs to collect and verify information about customers that transact directly with the PPSI.[64] Finally, the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) proposed rules that would implement the BSA and sanctions compliance standards for PPSIs by incorporating and applying FinCEN and OFAC regulations to PPSIs.[65] This is consistent with prior proposed rulemakings in which prudential regulators' proposals have largely mirrored FinCEN's similar proposed rulemaking. The rules would also require consultation with FinCEN before initiating a significant AML enforcement or supervisory action, consistent with the FinCEN proposal discussed in Section III.a above.[66]

d. Additional Alerts on Administration Priorities

FinCEN has also issued alerts that highlight how the Administration is using AML and sanctions tools and authority to advance other priorities. For example, on May 11, 2026, FinCEN issued its third alert to assist financial institutions in identifying and reporting actors that fund and facilitate procurement networks supporting Iran's Islamic Revolutionary Guard Corps (IRGC).[67] Supplementing its June 2025 Iran Advisory and May 2024 advisory on Iran-backed terrorist organizations,[68] the alert describes the IRGC's prevailing and emerging methods for laundering funds and evading sanctions, including through the use of a "shadow fleet" of vessels to smuggle oil, front companies, layered corporate structures, and webs of financial facilitators (similar to the allegations in the Shamkhani action), and digital assets, noting that Iranian crypto activity has reached billions of dollars per year.[69]

On May 11, 2026, FinCEN issued a notice urging financial institutions to be vigilant in detecting, identifying, and reporting suspicious activity connected to human trafficking associated with the 2026 Fédération Internationale de Football Association (FIFA) World Cup.[70] The notice urges that customer-facing staff should be trained to recognize behavioral indicators of trafficking, since a victim's only outside contact may be at a branch of a financial institution, and reminds financial institutions of section 314(b)'s safe harbor protections for voluntary information sharing.[71]

IV. Judicial Developments

The first half of 2026 also featured two notable judicial developments.

First, on April 7, 2026, the U.S. Court of Appeals for the Second Circuit affirmed the conviction of Mustafa Goklu for money laundering and operating an unlicensed money transmitting business under 18 U.S.C. §§ 1956 and 1960.[72] Goklu ran an operation that exchanged bitcoin and cash for a commission, uncovered through a series of in-person transactions with an undercover agent.[73] On appeal, Goklu argued that paying cash for bitcoin in a face-to-face transaction is not "money transmitting" under § 1960, but the Second Circuit disagreed and held that bitcoin qualifies as "funds."[74] The court also held that Goklu had transferred funds to "another location" within the meaning of FinCEN regulation 31 C.F.R. § 1010.100(ff)(5)(i)(A) when cash and cryptocurrency changed wallets (both physical and digital).[75] For businesses that buy or sell virtual currency as a commercial activity, the Second Circuit's ruling in *Goklu* is a reminder that federal registration obligations can attach even to informal, in-person operations, and that failure to comply risks criminal exposure.

Second, the U.S. District Court for the Eastern District of Texas held that FinCEN lacked the statutory authority to promulgate the Residential Real Estate Rule.[76] That rule, which had taken effect March 1, 2026, required reporting persons, often the title company responsible for settlement, to report certain non-financed transfers of residential real property to legal entities or trusts.[77] The court reasoned that 31 U.S.C. § 5318(g)(1) authorized FinCEN to require reporting of "suspicious" transactions, but that FinCEN had not demonstrated that the non-financed residential transfers are categorically suspicious.[78] Further, the court found that 31 U.S.C. § 5318(a)(2)'s reference to FinCEN's authority to require financial institutions to maintain compliant "procedures" did not independently grant authority to impose the reporting requirement.[79] The court vacated the Rule nationwide.[80] Following the decision, FinCEN advised that reporting persons are not currently required to file real estate reports and are not subject to liability for failing to do so while the order remains in force.[81] This decision could be stayed or reversed on appeal, so affected businesses should follow the legal developments closely.[82]

V. State Updates

States have continued to be active in the AML space and adjacent areas.

a. WeChat Multi-State Resolution

In March 2026, a bipartisan coalition of state attorneys general secured commitments from WeChat, the China-based messaging platform, to combat money laundering.[83] Concerned about drug traffickers' use of WeChat to facilitate laundering proceeds, the coalition sent a public letter to the company demanding action against its role in facilitating such conduct.[84] WeChat has since publicly committed to comply with law enforcement requests for certain account information, promptly respond to emergency law enforcement requests, preserve data requested during investigations, maintain a dedicated law enforcement contact, and deploy tools to identify and report patterns associated with money laundering and drug trafficking.[85]

b. Crypto Kiosks and Lenders

States also continue to focus on crypto kiosks and lenders. Last year, we reported that California's Department of Financial Protection and Innovation (DFPI) had taken enforcement actions against crypto kiosk operators for allegedly violating the state's Digital Financial Assets Law (DFAL).[86] Since then, California has taken additional enforcement actions against crypto kiosk operators and lenders.[87]

Other states have taken similar action. Connecticut initiated proceedings against Bitcoin Depot for, among other things, failing to have proper AML or KYC policies, procedures, and controls in place to adequately verify ownership of virtual wallets.[88] Both the District of Columbia and Massachusetts are currently litigating with kiosk operators, largely related to consumer protection measures, and other states have brought actions for failing to register or maintain registration as money transmitters.[89]

ENDNOTES TO BE MOVED TO WEBSITE ONLY

[1] Press Release, *EagleBank Agrees to Pay More than $9.7 Million to Resolve Bank Secrecy Act Investigation* (June 30, 2026), available at https://www.justice.gov/opa/pr/eaglebank-agrees-pay-more-97-million-resolve-bank-secrecy-act-investigation.

[2] *Id.*

[3] *Id.*

[4] Non-Prosecution Agreement at 23, EagleBank (June 30, 2026), available at https://www.justice.gov/d9/2026-06/eaglebank_signed_non-prosecution_agreement_2026.06.30.pdf.

[5] Press Release, *Maryland Resident Sentenced To 40 Months' Imprisonment For Bank Fraud* (June 28, 2024), available at https://www.justice.gov/usao-mdpa/pr/maryland-resident-sentenced-40-months-imprisonment-bank-fraud.

[6] Press Release, *Federal Reserve Board announces it has fined EagleBank $9.5 million for violation of the Board's insider lending regulation and has permanently barred its former CEO and chairman from the banking industry* (Aug. 16, 2022), available at https://www.federalreserve.gov/newsevents/pressreleases/enforcement20220816a.htm; Press Release, SEC Charges Eagle Bancorp and Former CEO with Failing to Disclose Related Party Loans (Aug. 16, 2022), available at https://www.sec.gov/newsroom/press-releases/2022-146.

[7] Press Release, *United States Files Civil Forfeiture Complaints Against $15M in Funds*

Allegedly Linked to Iranian Oil Shipping Network (Mar. 6, 2026), available at https://www.justice.gov/opa/pr/united-states-files-civil-forfeiture-complaints-against-15m-funds-allegedly-linked-iranian.

[8] *Id.*

[9] *Id.*

[10] *Id.*

[11] Press Release, *U.S. Att'y's Office for the S.D.N.Y., SDNY Announces Recovery of Hundreds of Millions of Dollars for Victims of Iran-Sponsored Terrorism* (Mar. 23, 2026), available at https://www.justice.gov/usao-sdny/pr/sdny-announces-recovery-hundreds-millions-dollars-victims-iran-sponsored-terrorism-0.

[12] Order, *In re 650 Fifth Ave. & Related Props.*, No. 1:08-cv-10934 (S.D.N.Y. Mar. 20, 2026), ECF No. 2500. Gibson Dunn represented parties involved in the 650 Fifth Avenue settlement.

[13] Pia Koh, Maloney Suppresses Money Laundering with Corporate Transparency Act, PoliticsNY (Dec. 15, 2020), available at https://politicsny.com/2020/12/15/maloney-suppresses-money-laundering-with-corporate-transparency-act/.

[14] For more information on the CTA, see here.

[15] Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension, 90 Fed. Reg. 13,688 (Mar. 26, 2025).

[16] Dylan Tokar & Gina Heeb, Jeanine Pirro's Prosecutors Probe Big Banks for Alleged 'Debanking', Wall St. J. (June 10, 2026), available at https://www.wsj.com/finance/regulation/jeanine-pirros-prosecutors-probe-big-banks-for-alleged-debanking-13568e9b.

[17] Executive Order 14331, Guaranteeing Fair Banking for All Americans (Aug. 7, 2025), available at https://www.whitehouse.gov/presidential-actions/2025/08/guaranteeing-fair-banking-for-all-americans/.

[18] *Id.* For more information, see our prior alert on debanking here.

[19] Dylan Tokar & Gina Heeb, Jeanine Pirro's Prosecutors Probe Big Banks for Alleged 'Debanking', Wall St. J. (June 10, 2026), available at https://www.wsj.com/finance/regulation/jeanine-pirros-prosecutors-probe-big-banks-for-alleged-debanking-13568e9b.

[20] *Id.*

[21] *Id.*

[22] Press Release, *FinCEN Assesses Historic $80 Million Penalty Against Canaccord Genuity*

LLC for Securities Fraud-Related Bank Secrecy Act Violations (Mar. 6, 2026), available at https://www.fincen.gov/news/news-releases/fincen-assesses-historic-80-million-penalty-against-canaccord-genuity-llc.

[23] *Id.*

[24] *Id.*

[25] Consent Order, *In the Matter of Community Federal Savings Bank*, AA-ENF-2025-21 (OCC Apr. 24, 2026), available at https://www.occ.gov/static/enforcement-actions/eaAA-ENF-2025-21.pdf.

[26] *Id.* at Art. II ¶¶ 1–2.

[27] *Id.* at *1 (recitals).

[28] *Id.* at Art. III–X.

[29] *Id.* at Art. VIII.

[30] For example, the Director of Enforcement for the Commodity Futures Trading Commission (CFTC) David Miller identified insider trading, market manipulation, market abuse, retail fraud, and willful failures to follow AML and KYC rules as the CFTC's five enforcement priorities. *Remarks at NYU Law School – CFTC Enforcement Priorities, Insider Trading in the Prediction Markets, and Cooperation with the CFTC* (Mar. 31, 2026), available at https://www.cftc.gov/PressRoom/SpeechesTestimony/opamiller1.

[31] Press Release, *Secretary Bessent Announces Initiatives to Combat Rampant Fraud in Minnesota* (Jan. 9, 2026), available at https://home.treasury.gov/news/press-releases/sb0354.

[32] *Id.*

[33] *Id.*

[34] Press Release, *FinCEN Issues Guidance to Help Financial Institutions Eliminate Fraud Through Information Sharing* (June 12, 2026), available at https://home.treasury.gov/news/press-releases/sb0531.

[35] FinCEN, *Section 314(b) Fact Sheet* (June 12, 2026), available at https://www.fincen.gov/system/files/shared/314bfactsheet.pdf.

[36] *Id.*

[37] *Id.*

[38] *Id.*

[39] Executive Order 14395, Establishing the Task Force to Eliminate Fraud (Mar. 16, 2026),

available at https://www.whitehouse.gov/presidential-actions/2026/03/establishing-the-task-force-to-eliminate-fraud/.

[40] About the National Fraud Enforcement Division, U.S. Dep't of Justice (updated Apr. 29, 2026), available at https://www.justice.gov/fraud/about-national-fraud-enforcement-division.

[41] Memorandum for the Department of Justice, *Creation of the National Fraud Enforcement Division* (Apr. 7, 2026), available at https://www.justice.gov/ag/media/1435311/dl?inline.

[42] *Id.*

[43] Executive Order, Combating Cybercrime, Fraud, and Predatory Schemes Against American Citizens (Mar. 6, 2026), available at https://www.whitehouse.gov/presidential-actions/2026/03/combating-cybercrime-fraud-and-predatory-schemes-against-american-citizens/

[44] *Id.*

[45] Press Release, *Scam Center Strike Force Takes Major Actions Against Southeast Asian Scam Centers Targeting Americans* (Apr. 23, 2026), available at https://www.justice.gov/opa/pr/scam-center-strike-force-takes-major-actions-against-southeast-asian-scam-centers-targeting.

[46] Press Release, *Scam Center Strike Force Announces Results of U.S. & Private Industry "Disruption Week"* (June 3, 2026), available at https://www.justice.gov/opa/pr/scam-center-strike-force-announces-results-us-private-industry-disruption-week.

[47] Anti-Money Laundering and Countering the Financing of Terrorism Programs, 91 Fed. Reg. 18,704 (proposed Apr. 10, 2026), available at https://www.federalregister.gov/documents/2026/04/10/2026-07033/anti-money-laundering-and-countering-the-financing-of-terrorism-programs.

[48] *Id.* at 18,706.

[49] For example, early in President Trump's second term, he issued an Executive Order titled "Ensuring Accountability for All Agencies," which directed independent agencies to submit major regulations for White House review, authorized centralized review of use of funds, and centralized interpretations of law. See our prior client alert for more detail. The National Fraud Enforcement Division and Scam Center Strike Force, *supra* Section II, are also examples of other consolidation and specialization.

[50] Anti-Money Laundering and Countering the Financing of Terrorism Programs, 91 Fed. Reg. 18,704, 18,711 (proposed Apr. 10, 2026) (to be codified at 31 C.F.R. pts. 1010, 1020-1030).

[51] *Id.*

[52] *Id.* at 18,717.

[53] Whistleblower Incentives and Protections, 91 Fed. Reg. 16,328 (proposed Apr. 1, 2026),

available at https://www.federalregister.gov/documents/2026/04/01/2026-06271/whistleblower-incentives-and-protections.

[54] *Id.* at 16,333–34 (covered actions), 16,338–39 (amount of award).

[55] *Id.* at 16,332, 16,335.

[56] *Id.* at 16,332.

[57] *Id.* at 16,341–42.

[58] Memorandum, U.S. Department of Justice, *Department of Justice Corporate Whistleblower Awards Pilot Program* (May 12, 2025), available at https://www.justice.gov/criminal/media/1400041/dl?inline.

[59] For more information about the GENIUS Act, see Gibson Dunn's comprehensive client alert.

[60] Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism Program and Sanctions Compliance Program Requirements, 91 Fed. Reg. 18,582 (proposed Apr. 10, 2026), available at https://www.federalregister.gov/documents/2026/04/10/2026-06963/permitted-payment-stablecoin-issuer-anti-money-launderingcountering-the-financing-of-terrorism.

[61] FinCEN, Fact Sheet: Proposed Rule to Implement the GENIUS Act's Anti-Money Laundering Obligations and Sanctions Compliance Program Requirements at 2, available at https://www.fincen.gov/system/files/2026-04/FactSheet-PPSI-program-NPRM.pdf.

[62] 91 Fed. Reg. at 18,597.

[63] FinCEN, Fact Sheet: Proposed Rule to Implement GENIUS Act Customer Identification Program Requirements at 1, available at https://www.fincen.gov/system/files/2026-06/GENIUS-CIP-NPRM-FactSheet.pdf.

[64] Permitted Payment Stablecoin Issuer Customer Identification Program, 91 Fed. Reg. 37,234, 37,240, 37,242 (proposed June 22, 2026) (to be codified at 31 C.F.R. pt. 1033), available at https://www.federalregister.gov/documents/2026/06/22/2026-12460/permitted-payment-stablecoin-issuer-customer-identification-program. Comments are due August 21, 2026. *Id.* at 37,244.

[65] Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism and Sanctions Compliance Risk Management, 91 Fed. Reg. 37,840, 37,841 (proposed June 24, 2026) (to be codified at 12 C.F.R. pts. 4, 15, 19), available at https://www.federalregister.gov/documents/2026/06/24/2026-12692/permitted-payment-stablecoin-issuer-anti-money-launderingcountering-the-financing-of-terrorism-and; Bank Secrecy Act and Sanctions Compliance Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers, 91 Fed. Reg. 34,171 (proposed June 5, 2026), available at https://www.fdic.gov/board/bank-secrecy-act-and-sanctions-compliance-standards-fdic-supervised-permitted-payment.

[66] *Id.* at 37,841. To that end, the OCC proposal contemplates permitting disclosure of non-public OCC supervisory information to FinCEN, and invites comments regarding the contours of such authorization. *Id.* at 37,842.

[67] FinCEN Issues Alert to Stop Money Laundering by Iranian Revolutionary Guard Corps (May 11, 2026) (IRGC Alert), *available at* https://www.fincen.gov/news/news-releases/fincen-issues-alert-stop-money-laundering-iranian-revolutionary-guard-corps.

[68] *Id.* at 1; *see* FinCEN Issues Advisory Highlighting Iranian Oil Smuggling, Shadow Banking, and Weapons Procurement Typologies (June 6, 2025), available at https://www.fincen.gov/news/news-releases/fincen-issues-advisory-highlighting-iranian-oil-smuggling-shadow-banking-and; FinCEN Issues Alert to Stop Money Laundering by Iranian Revolutionary Guard Corps (May 11, 2024), available at https://www.fincen.gov/news/news-releases/fincen-issues-alert-stop-money-laundering-iranian-revolutionary-guard-corps.

[69] IRGC Alert at 3–7.

[70] FinCEN Issues Notice on the Threat of Human Trafficking During the 2026 FIFA World Cup (May 11, 2026) (Trafficking Notice), available at https://www.fincen.gov/news/news-releases/fincen-issues-notice-threat-human-trafficking-during-2026-fifa-world-cup.

[71] Trafficking Notice at 2; *see also* 31 C.F.R. § 1010.540 (2025).

[72] *United States v. Goklu*, 173 F.4th 16, 25 (2d Cir. 2026).

[73] *Id.* at 20–21.

[74] *Id.* at 24–26. The Second Circuit's decision is consistent with a 2025 First Circuit decision, *United States v. Freeman*, 147 F.4th 1 (1st Cir. 2025), and the overwhelming weight of district court decisions.

[75] *Id.* at 25.

[76] *Flowers Title Cos. v. Bessent*, No. 6:25-cv-127-JDK, slip op. at 18–19 (E.D. Tex. Mar. 19, 2026).

[77] Anti-Money Laundering Regulations for Residential Real Estate Transfers, 89 Fed. Reg. 70,258 (Aug. 29, 2024).

[78] *Flowers Title Cos.*, slip op. at 12.

[79] *Id.* at 15–17.

[80] *Id.* at 18–19. Other courts had previously upheld the Rule, though the decision in *Corley* was mooted by *Flowers*. *Fidelity Nat'l Fin., Inc. v. Bessent*, No. 3:25-cv-554-WWB-SJH, slip op. at 12 (M.D. Fla. Feb. 19, 2026); *Corley v. U.S. Dep't of the Treasury*, No. 5:25-cv-086-H (N.D. Tex. Feb. 25, 2026).

[81] Residential Real Estate Rule, Fin. Crimes Enf't Network, available at https://www.fincen.gov/rre (last visited June 30, 2026).

[82] As of June 30, 2026, Fidelity National Title Insurance Company's opening brief before the Eleventh Circuit is due July 31, 2026. For more information about the decision, please see Gibson Dunn's recent client alert.

[83] Press Release, Attorney General Jeff Jackson of North Carolina (Mar. 11, 2026), available at https://ncdoj.gov/attorney-general-jeff-jackson-secures-new-commitments-from-wechat-to-combat-fentanyl-money-laundering/.

[84] Press Release, Attorney General Alan Wilson of South Carolina (Mar. 11, 2026), available at https://www.scag.gov/about-the-office/news/attorney-general-alan-wilson-secures-new-commitments-from-wechat-to-combat-fentanyl-money-laundering/.

[85] Press Release, New Hampshire Department of Justice (Mar. 13, 2026), available at https://www.doj.nh.gov/news-and-media/attorney-general-formella-secures-wechat-commitments-presses-chinese-based-sister.

[86] Gibson Dunn, 2025 Year-End Developments in Anti-Money Laundering (Jan. 12, 2026), https://www.gibsondunn.com/2025-year-end-developments-in-anti-money-laundering/.

[87] For example, this year, DFPI has entered consent orders with or ordered penalties against Evergreen ATM, LLC (d/b/a Getcoins), Anh Management, LLC (d/b/a Hermes Bitcoin), Coinme, Inc., RockItCoin, and LSGT Services, LLC (Coinhub). *See* Consent Order, *Comm'r of Fin. Prot. & Innovation v. Evergreen ATM, LLC dba Getcoins* (Jan. 16, 2026), available at https://dfpi.ca.gov/wp-content/uploads/2026/01/Consent-Order-Evergreen-ATM_-LLC-dba-Getcoins.pdf; Press Release, Cal. Dep't of Fin. Prot. & Innovation, *DFPI Shuts Down Crypto Kiosk Operator for Cheating Consumers and Violating State Laws* (May 18, 2026), https://dfpi.ca.gov/press_release/dfpi-shuts-down-crypto-kiosk-operator-for-cheating-consumers-and-violating-state-laws/; Press Release, Cal. Dep't of Fin. Prot. & Innovation, *DFPI Orders Coinme to Provide $175,000 in Consumer Refunds* (Feb. 17, 2026), available at https://dfpi.ca.gov/press_release/dfpi-orders-coinme-to-provide-175000-in-consumer-refunds/; Consent Order, *Comm'r of Fin. Prot. & Innovation v. RockItCoin, LLC* (Jan. 13, 2026), available at https://dfpi.ca.gov/wp-content/uploads/2026/01/Consent-Order-RockitCoin_-LLC.pdf; Consent Order, *Comm'r of Fin. Prot. & Innovation v. LSGT Servs.* (Oct. 30, 2025), available at https://dfpi.ca.gov/wp-content/uploads/2025/10/Consent-Order-LSGT-Services_-LLC-dba-Coinhub.pdf.

[88] *In the Matter of Bitcoin Depot Operating LLC d/b/a Bitcoin Depot f/k/a Lux Vending LLC* (Mar. 9, 2026), available at https://portal.ct.gov/-/media/dob/enforcement/consumer-credit/2026-cc-orders/bitcoin-depot-operating-llc--ss-temp-cd-rest-disg-noi-rev--ref-to-renewcdcp.pdf.

[89] *See, e.g.,* Press Release, *AG Campbell Sues Bitcoin Kiosk Operator For Facilitating Crypto Scams Against Massachusetts Consumers* (Feb. 3, 2026), available at https://www.mass.gov/news/ag-campbell-sues-bitcoin-kiosk-operator-for-facilitating-crypto-scams-against-massachusetts-consumers; Press Release, *Attorney General Schwalb Sues*

Crypto ATM Operator for Financially Exploiting District Residents (Sept. 8, 2025), available at https://oag.dc.gov/release/attorney-general-schwalb-sues-crypto-atm-operator; *In the Matter of GPD Holdings LLC d/b/a CoinFlip* (Feb. 19, 2026), available at https://www.dob.texas.gov/sites/default/files/files/Laws-Regulations/orders/2026-001.pdf

The following Gibson Dunn lawyers assisted in preparing this update: Stephanie Brooker, M. Kendall Day, Amy Feagles, Ella Alves Capone, Sam Raymond, Rachel Jackson, and Akila Bhargava.

Gibson Dunn has deep experience with issues relating to the Bank Secrecy Act, other AML and sanctions laws and regulations, and the defense of financial institutions more broadly. For assistance navigating white collar or regulatory enforcement issues involving financial institutions, please contact any of the authors, the Gibson Dunn lawyer with whom you usually work, or any of the leaders and members of the firm's Anti-Money Laundering / Financial Institutions, Financial Regulatory, White Collar Defense & Investigations, or Sanctions & Export Enforcement practice groups:

Anti-Money Laundering / Financial Institutions:
Stephanie Brooker – Washington, D.C. (+1 202.887.3502, sbrooker@gibsondunn.com)
M. Kendall Day – Washington, D.C. (+1 202.955.8220, kday@gibsondunn.com)
Ella Alves Capone – Washington, D.C. (+1 202.887.3511, ecapone@gibsondunn.com)
Sam Raymond – New York (+1 212.351.2499, sraymond@gibsondunn.com)

White Collar Defense and Investigations:
Stephanie Brooker – Washington, D.C. (+1 202.887.3502, sbrooker@gibsondunn.com)
Winston Y. Chan – San Francisco (+1 415.393.8362, wchan@gibsondunn.com)
Amy Feagles – Washington, D.C. (+1 202.887.3699, afeagles@gibsondunn.com)
Nicola T. Hanna – Los Angeles (+1 213.229.7269, nhanna@gibsondunn.com)
F. Joseph Warin – Washington, D.C. (+1 202.887.3609, fwarin@gibsondunn.com)

Global Fintech and Digital Assets:
M. Kendall Day – Washington, D.C. (+1 202.955.8220, kday@gibsondunn.com)
Jeffrey L. Steiner – Washington, D.C. (+1 202.887.3632, jsteiner@gibsondunn.com)
Sara K. Weed – Washington, D.C. (+1 202.955.8507, sweed@gibsondunn.com)

Global Financial Regulatory:
William R. Hallatt – Hong Kong (+852 2214 3836, whallatt@gibsondunn.com)
Michelle M. Kirschner – London (:+44 20 7071 4212, mkirschner@gibsondunn.com)
Jeffrey L. Steiner – Washington, D.C. (+1 202.887.3632, jsteiner@gibsondunn.com)

Sanctions and Export Enforcement:

Matthew S. Axelrod – Washington, D.C. (+1 202.955.8517, maxelrod@gibsondunn.com)
Adam M. Smith – Washington, D.C. (+1 202.887.3547, asmith@gibsondunn.com)