

# *Bank of America Flagged Suspicious Payments to Epstein Only After He Died*

Senate staff members are urging that Bank of America be investigated for the way it reported payments to Jeffrey Epstein, the disgraced financier.

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**By Matthew Goldstein**

Dec. 13, 2024

When Bank of America alerted financial regulators in 2020 to potentially suspicious payments from Leon Black, the billionaire investor, to Jeffrey Epstein, the disgraced financier, the bank was following a routine practice.

The bank filed two “suspicious activity reports,” or SARs, which are meant to alert law enforcement to potential criminal activities like money laundering, terrorism financing or sex trafficking. One was filed in February 2020 and the other eight months later, according to a congressional memorandum reviewed by The New York Times.

SARs are expected to be filed within 60 days of a bank spotting a questionable transaction.

But the warnings in this case, according to the congressional memo, were not filed until several years after the payments, totaling \$170 million, had been made. By the time of the first filing, Mr. Epstein had already been dead for six months, after taking his own life in a Manhattan jail following his arrest on federal sex trafficking charges.

The delayed filings have led congressional investigators to question if Bank of America violated federal laws against money laundering. Also of concern to investigators is that the bank apparently processed the payments “without asking for information as to the nature of the transactions,” the memo said. The bank told regulators in its initial filing that the wire transfers had “no apparent economic, business or lawful purpose,” according to the memo.

The details in the congressional memo also illustrate a problem with the SARs system. Each year banks file millions of these confidential reports with regulators, but it is not uncommon for banks to file them long after the transactions have taken place. Banks may not act because they’re unaware of a reason to dig deeper into a transaction, or they may not want to cause trouble for a wealthy customer, money laundering experts say.

The memo, prepared by staff working for Senator Ron Wyden, the Oregon Democrat and chair of the Senate Finance Committee, recommended that Mr. Wyden ask the Treasury Department’s Financial Crimes Enforcement Network to investigate Bank of America’s conduct. The finance committee has been conducting its own investigation into the large payments from Mr. Black to Mr. Epstein for nearly two years.

A spokesman for Mr. Wyden said he was still considering the recommendations, but was likely to follow through on them.

The payments from Mr. Black to Mr. Epstein — made between 2012 and 2017 — have been a source of controversy since late 2020, when The New York Times reported that the business and personal ties between the two men were far greater than previously known. The dealings between the two men contributed to Mr. Black’s decision in early 2021 to step down as chief executive of Apollo Management, the private equity firm of which he was a co-founder.

Mr. Black, a Bank of America customer with a net worth of \$13 billion, has insisted that the payments were for legitimate tax work and advice on art transactions. Dechert, a law firm hired by Apollo to review Mr. Black’s dealings with Mr. Epstein found that the work had saved Mr. Black nearly \$2 billion in federal taxes.

The law firm said there was no evidence Mr. Black knew of Mr. Epstein's predatory behavior. It found that he made \$158 million in payments, and a \$30 million loan to Mr. Epstein.

A spokesman for Mr. Black declined to comment.

Mr. Black, a Bank of America customer with a net worth of \$13 billion, has insisted the payments were for legitimate tax work and advice on art transactions. Lucy Nicholson/Reuters

The Senate Finance Committee has focused on the value of the advice Mr. Epstein gave Mr. Black, since Mr. Epstein had no particular training in tax or estate work. The committee's staff learned about the belated SARs filing during the course of its investigation, according to the memo. Senator Wyden also sent a letter to Bank of America's chief executive, Brian Moynihan, asking about the due diligence the bank had conducted.

"A late filing, in and of itself, isn't an indication you were lax or bad," said Elise Bean, a former chief counsel to the Senate Permanent Subcommittee on Investigations, who has specialized in money-laundering investigations. Ms. Bean

said the issue for regulators is whether a bank was “deliberately late” in filing a report.

Ms. Bean said sometimes it can take a news event to prompt a bank to go back and review its records and retroactively flag a transaction as suspicious.

A Bank of America spokesman declined to comment.

Bank of America filed the first SARs a few weeks after the U.S. Virgin Islands filed a civil racketeering lawsuit against Mr. Epstein’s estate in January 2020, over his nearly two decades-long sex trafficking operation in the U.S. territory. The second report was filed in October 2020, after The Times and other media began to report on the deep ties between Mr. Epstein and Mr. Black.

SARs are confidential reports and filings are rarely made public.

It is unclear what will happen to the investigation once Republicans take control of the Senate. Scott Bessent, President-elect Donald J. Trump’s pick to run the Treasury Department, will likely be able to appoint a new director of the financial crimes division. Last week the Republican-controlled House Judiciary Committee released a report arguing that the SARs process has been “weaponized” to spy on Americans and weaken their “financial privacy.”

Bank of America is not the only big bank to have been questioned about suspicious transactions involving Mr. Epstein.

In litigation involving hundreds of Mr. Epstein’s sexual abuse victims, it was disclosed that JPMorgan Chase had filed several SARs after the bank kicked him out as a client in 2013, including one that was filed after Mr. Epstein’s death in 2019.

Deutsche Bank, which subsequently became Mr. Epstein’s primary banker, paid a \$150 million fine to New York bank regulators, in part because of its due diligence failures in monitoring Mr. Epstein’s financial affairs. Last year, JPMorgan agreed to pay \$290 million and Deutsche Bank \$75 million to Mr. Epstein’s victims to settle allegations they had facilitated his trafficking of teenage girls and young women.

JPMorgan and Mr. Black separately reached financial settlements with the Virgin Islands to settle investigations into Mr. Epstein's activities there.

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A version of this article appears in print on , Section B, Page 3 of the New York edition with the headline: Bank Flagged Payments to Epstein Only After He Died