

Testimony  
Before the United States House Committee on Financial  
Services Subcommittee on National Security, Illicit Finance,  
and International Financial Institutions  
Hearing on “Modernizing the BSA for Financial Crime in the 21st Century”

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*The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.<sup>1</sup>*

Chair Davidson, Ranking Member Beatty, and members of the Subcommittee, thank you for the opportunity to testify at today’s hearing.<sup>2</sup> My name is Nicholas Anthony. I am a research fellow at the Cato Institute’s Center for Monetary and Financial Alternatives, a fellow at the Human Rights Foundation, and a cofounder of the Activist Atlas. The views I express in this testimony are my own and should not be construed as representing any official position of my employers.

The history of financial surveillance has been a history of ever-moving goalposts. First, it was tax evasion. Then it was the war on drugs. Then it was the war on terror. More recently, it seems to be turning toward fraud and immigration.<sup>3</sup> The one thing that has stayed the same is that the Bank Secrecy Act regime has increasingly violated people’s financial privacy with few results to show for it.<sup>4</sup>

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<sup>1</sup> First Congress of the United States, “Fourth Amendment to the United States Constitution,” Legal Information Institute, Cornell Law School, 1791, [https://www.law.cornell.edu/constitution/fourth\\_amendment](https://www.law.cornell.edu/constitution/fourth_amendment).

<sup>2</sup> United States House Committee on Financial Services, “Hearing Entitled: Modernizing the BSA for Financial Crime in the 21st Century,” May 21, 2026, <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=411102>.

<sup>3</sup> David J. Bier and Nicholas Anthony, “Know Your Citizenship, Says Trump to Banks,” Cato Institute, February 27, 2026, <https://www.cato.org/blog/know-citizenship-says-trump-banks>.

<sup>4</sup> I use the term “Bank Secrecy Act regime” to refer to not just the Bank Secrecy Act, but the entire slew of legislation and regulation that has been built since Congress first passed the Bank Secrecy Act in 1970. Nicholas Anthony, “What Is the Bank Secrecy Act?” Cato Institute, April 29, 2026, <https://www.cato.org/blog/what-bank-secrecy-act>.

## A Broken System

If nothing else, I would like to leave you with three numbers: 59 billion, 28.7 million, and 275.<sup>5</sup> In a single year, US financial institutions spend an estimated \$59 billion complying with the Bank Secrecy Act regime. This regime forced these institutions to file 28.7 million reports on their customers (Table 1). And yet, these reports only tipped off 275 investigations by the Internal Revenue Service’s (IRS’s) Criminal Investigations division (Figure 1).

\$59 billion on compliance, 28.7 million reports violating Americans’ privacy, and yet only 275 investigations were tipped off by the Bank Secrecy Act regime (Figure 2).<sup>6</sup>

Table 1

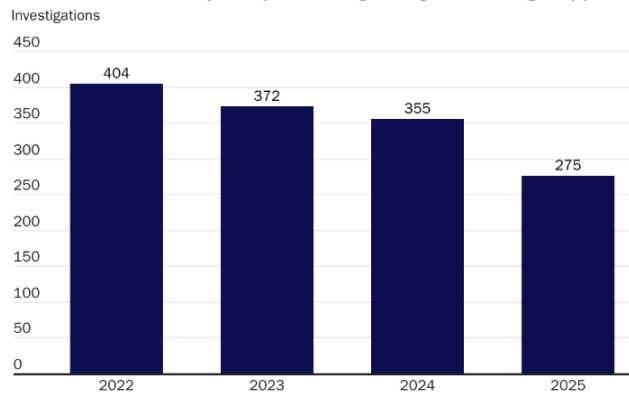
### Banks are required to report tens of millions of transactions every year

CTRs	SARs	FBARs	Form 8300 Reports	CMIRs	Total
21.5 Million	4.8 Million	1.8 Million	420,400	132,400	28.7 Million

Source: Financial Crimes Enforcement Network (FinCEN) Year in Review for FY 2024. Note: CTR = Currency Transaction Report; SAR = Suspicious Activity Report; FBAR = Report of Foreign Bank and Financial Account; CMIR = Currency and Other Monetary Instrument Reports. Form 8300 Reports refer to reports filed on cash payments made over \$10,000.

Figure 1

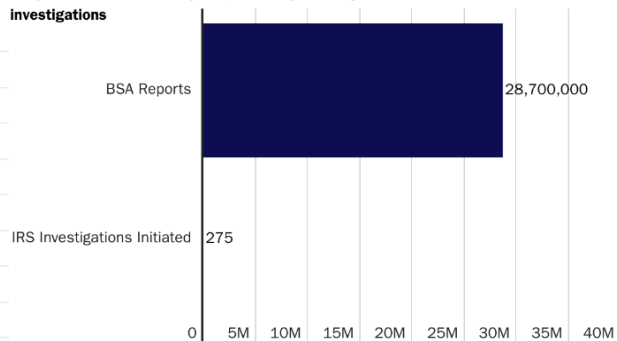
The number of Bank Secrecy Act reports initiating investigations is falling every year



Sources: Author’s calculations based on Financial Crimes Enforcement Network (FinCEN) Year in Review for FY 2022, FY 2023, FY 2024, and FY 2025; Internal Revenue Service (IRS) Data Book 2022, 2023, 2024, and 2025\*.  
Note: The Internal Revenue Service (IRS) Data Book 2025 has not yet been released so the data is based on an average of previous years.

Figure 2

Despite millions of BSA reports, those reports only led the IRS to start 275 investigations



Sources: Internal Revenue Service (IRS) Data Book 2022, 2023, 2024, and 2025\*; Financial Crimes Enforcement Network (FinCEN) 2025 Year in Review.  
Note: The investigations referenced are those that were initiated by a Bank Secrecy Act (BSA) report. The IRS 2025 Data Book is not yet available so the number of investigations is based on an average of previous years. IRS = Internal Revenue Service; BSA = Bank Secrecy Act.

Americans are routinely shocked when they learn what is happening. When the Cato Institute surveyed the country, 83 percent of respondents said the government should need a warrant to access their financial records (Figure 3).<sup>7</sup> Furthermore, 79 percent of respondents said that the idea that banks would share their records with the government without a warrant is

<sup>5</sup> Nicholas Anthony, “28.7 Million Reports, 275 Investigations—the Bank Secrecy Act Doesn’t Work,” Cato Institute, May 11, 2026, <https://www.cato.org/blog/reporting-fincens-suspicious-activity-2026-edition>.

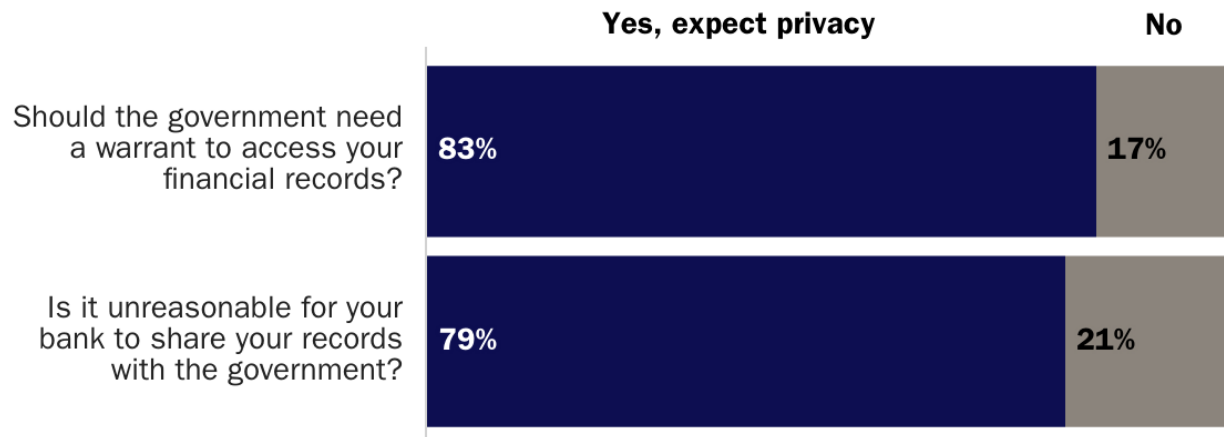
<sup>6</sup> Ibid.

<sup>7</sup> Nicholas Anthony, “The Right to Financial Privacy: Crafting a Better Framework for Financial Privacy in the Digital Age,” Cato Institute, May 2, 2023, <https://www.cato.org/policy-analysis/right-financial-privacy>.

unreasonable. Americans believe they have financial privacy, but what we really have is the illusion of financial privacy.<sup>8</sup>

Figure 3

**Americans believe it is reasonable to expect financial privacy from the government**



Source: Cato Institute, “Cato Institute 2022 Financial Privacy National Survey,” September 2022.

Yet, as if this attack on fundamental liberties were not enough on its own, the costs increase each year (Figure 4). In fact, the \$59 billion spent on compliance is likely to be an underestimation. This number does not take into account the opportunities lost under the Bank Secrecy Act when banks have limited or outright ended their relationships with customers who pose above-average Bank Secrecy Act compliance burdens. For example, some banks have left towns near the southern border because living at the southern border means more cross-border payments—and therefore, higher compliance costs.<sup>9</sup> The House Committee on Financial Services has convened on several occasions to discuss how the Caribbean has been similarly affected.<sup>10</sup>

The fact that the IRS only had 275 investigations tipped off should be no surprise. Despite the ominous name, suspicious activity reports (SARs) routinely identify seemingly innocent activity over criminal activity. Out of the millions of reports filed, the most common reasons for filing a suspicious activity report are not heinous crimes like terrorism (0.013 percent of reports) or human trafficking (0.04 percent of reports).<sup>11</sup> Rather, the most common reasons are that the bank

<sup>8</sup> Nicholas Anthony and Naomi Brockwell, “The Illusion of Financial Privacy,” Reason, May 30, 2024, <https://reason.com/2024/05/30/the-illusion-of-financial-privacy/>.

<sup>9</sup> Lawrence Evans, “Bank Secrecy Act: Derisking along the Southwest Border Highlights Need for Regulators to Enhance Retrospective Reviews,” U.S. Government Accountability Office, February 26, 2018, <https://www.gao.gov/products/gao-18-263>.

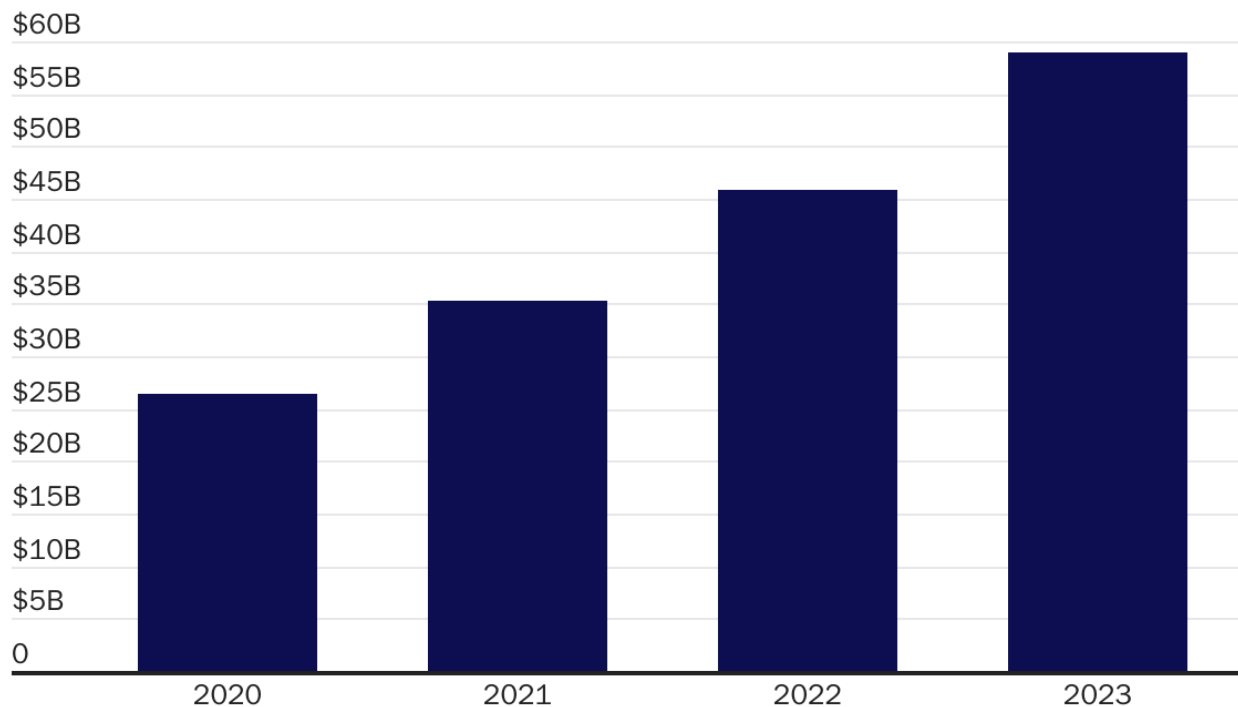
<sup>10</sup> House Committee on Financial Services, “Hybrid Hearing Entitled: When Banks Leave: The Impacts of De-Risking on the Caribbean and Strategies for Ensuring Financial Access,” September 14, 2022, <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=408417>.

<sup>11</sup> Financial Crimes Enforcement Network (FinCEN), “SAR Stats by Industry,” <https://www.fincen.gov/resources/reports/sar-stats/sar-filings-industry>.

was unsure about where a customer got the money or that a transaction was below the \$10,000 currency transaction report (CTR) threshold.<sup>12</sup>

Figure 4

### Bank Secrecy Act compliance costs increase every year



Sources: Forrester Consulting, "True Cost of Financial Crime Compliance Study, 2023 United States and Canada," Lexis Nexis Risk Solutions, November 2023.

### A Complete Lack of Oversight

One core problem with the Bank Secrecy Act is the complete lack of oversight and consequences on the government's side of the equation. The Anti-Money Laundering Act (AMLA) of 2020 required by law that the Financial Crimes Enforcement Network (FinCEN) and other agencies report key statistical information about the use of Bank Secrecy Act reports.<sup>13</sup> This information was meant to be the basis for reforms and modernization. Yet, we are still waiting on the statutorily required reports.

<sup>12</sup> The \$10,000 threshold applies to currency transaction reports. However, transactions that are below the threshold must be reported with suspicious activity reports because it is illegal to avoid the threshold. Financial Crimes Enforcement Network (FinCEN), "SAR Stats by Industry," <https://www.fincen.gov/resources/reports/sar-stats/sar-filings-industry>.

<sup>13</sup> Section 6201 of the Anti-Money Laundering Act of 2020 required reports on the frequency in which Bank Secrecy Act reports leads to investigations, arrests, and convictions (among other data).

After FinCEN initially missed its first-year deadline to report this data, I wrote to the agency explaining just how important the information was for Bank Secrecy Act modernization.<sup>14</sup> When the reports were four months late, Representatives Patrick McHenry (R-NC), Jim Himes (D-CT), John Rose (R-TN), Brad Sherman (D-CA), David Kustoff (R-TN), and Bryan Steil (R-WI) all questioned FinCEN Acting Director Himamauli Das about the status of the reports.<sup>15</sup> Acting Director Das failed to supply any meaningful information, but he said that he recognized that “in terms of this hearing, it’s clear that we need to do a better job in terms of communicating how effective FinCEN’s work is.” In saying so, he noted that detailed reports would be ready by the end of 2022.<sup>16</sup> That deadline came and went.

When the reports were two years late, Representative Blaine Luetkemeyer (R-MO) sent a letter to Attorney General Merrick Garland at the Department of Justice (DOJ) stating, “The DOJ’s disregard for section 6201 [of the Anti-Money Laundering Act of 2020] has cemented a lack of transparency into the usefulness of the reported data. If the DOJ is unable to state the usefulness of BSA reporting [data], it begs the question if the burdensome reporting is worthwhile.”<sup>17</sup>

It has now been five years and FinCEN is still out of compliance with the law. Yet, in a painful bit of irony, FinCEN is issuing new rules telling banks how to comply with the law in its own attempt to modernize the Bank Secrecy Act.<sup>18</sup> Modernization is welcome, but the first step should be understanding what is happening. The information regarding the effectiveness of the Bank Secrecy Act regime is critical for understanding what changes need to be made. Instead, Congress, financial institutions, and the broader public are stuck in the dark.

As for FinCEN, the agency has been seemingly allowed to break the law with little to no consequences.

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<sup>14</sup> Norbert J. Michel and Nicholas Anthony, “Review of Bank Secrecy Act Regulations and Guidance,” Cato Institute, February 7, 2022, <https://www.cato.org/public-comments/review-bank-secrecy-act-regulations-guidance>; Financial Crimes Enforcement Network, “Review of Bank Secrecy Act Regulations and Guidance,” Federal Register, December 15, 2021, <https://www.federalregister.gov/documents/2021/12/15/2021-27081/review-of-bank-secrecyact-regulations-and-guidance>.

<sup>15</sup> Nicholas Anthony, “Improving FinCEN through Oversight,” Cato Institute, April 29, 2022, <https://www.cato.org/blog/improving-fincen-through-oversight>.

<sup>16</sup> Ibid.

<sup>17</sup> Nicholas Anthony, “DOJ and Treasury Silent on Financial Surveillance Statistics Despite Congressional Mandate,” Cato Institute, February 21, 2023, <https://www.cato.org/blog/doj-treasury-silent-financial-surveillance-statistics-despite-congressional-mandate>.

<sup>18</sup> Nicholas Anthony, “Public Comment Re: Anti-Money Laundering and Countering the Financing of Terrorism Programs,” Cato Institute, April 27, 2026, <https://www.cato.org/public-comments/public-comment-re-anti-money-laundering-countering-financing-terrorism-programs>; Financial Crimes Enforcement Network, “Anti-Money Laundering and Countering the Financing of Terrorism Programs,” Federal Register, April 10, 2026, <https://www.federalregister.gov/documents/2026/04/10/2026-07033/anti-money-laundering-and-countering-the-financing-of-terrorism-programs>.

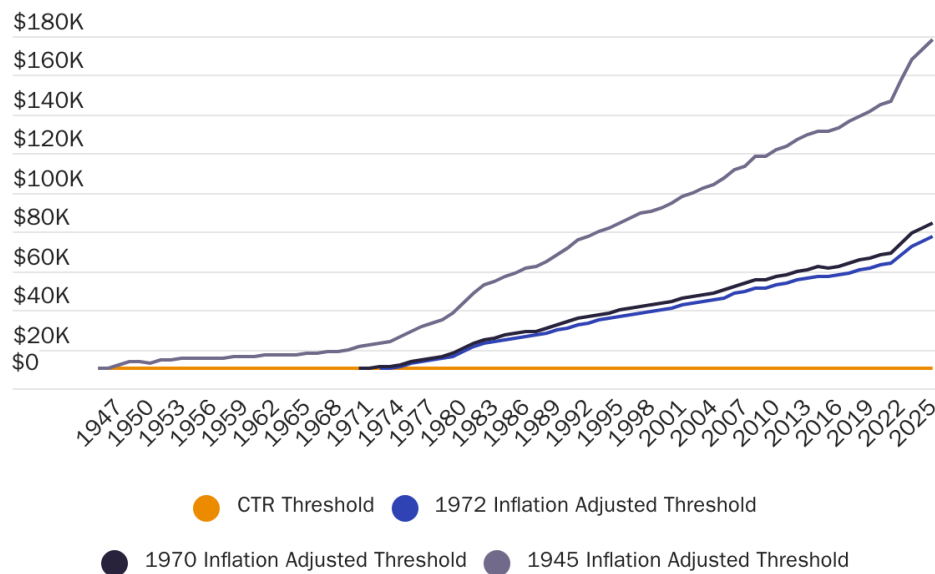
## The Problem is Getting Worse

While we wait for the reports meant to justify the Bank Secrecy Act, financial surveillance is getting worse every day. Although many legislative expansions have not passed, both inflation and geographic targeting orders (GTOs) have greatly expanded the Bank Secrecy Act.<sup>19</sup>

Most Americans have felt the pain of inflation in recent years. However, what they don't often see is that inflation also erodes financial privacy.<sup>20</sup> FinCEN adjusts its penalties for inflation, but it does not adjust reporting thresholds. In the most egregious case, the \$10,000 threshold for currency transaction reports has not been adjusted since it was first established in 1945 under an executive order.<sup>21</sup> That's equal to around \$180,000 today. When the Bank Secrecy Act was ultimately passed in 1970 and codified the \$10,000 threshold, you could buy two new Corvettes for \$10,000 (Figure 5).<sup>22</sup> Today, you could spend all of that on just the engine.<sup>23</sup>

Figure 5

**The threshold for currency transaction reports has never been adjusted**



Note: Inflation is calculated using data from the Bureau of Labor Statistics. The 1970 start point is based on the currency transaction report system under the Bank Secrecy Act. The 1945 start point is based on a precursor to the currency transaction report created under the Trading with the Enemy Act.

<sup>19</sup> Nicholas Anthony, “The Blockchain Integrity Act: Latest Attempt to Restrict Financial Privacy,” Cato Institute, May 9, 2024, <https://www.cato.org/blog/latest-attempt-restrict-financial-privacy>; Nicholas Anthony, “Warren Targets Financial Privacy in Wake of FTX Fall,” Cato Institute, December 14, 2022, <https://www.cato.org/blog/warren-targets-financial-privacy-wake-ftx-fall>.

<sup>20</sup> Nicholas Anthony, “How Inflation Erodes Financial Privacy,” Cato Institute, June 10, 2022, <https://www.cato.org/blog/how-inflation-erodes-financial-privacy>.

<sup>21</sup> Nicholas Anthony, “Inflationary Surveillance,” Forthcoming.

<sup>22</sup> Scott Kolecki, “1970 C3 Chevrolet Corvette Model Guide,” CorvSport, <https://www.corvsport.com/1970-c3-corvette/>.

<sup>23</sup> Ecklers, “Corvette Create Engines & Blocks,” <https://www.ecklers.com/corvette-create-engines-blocks.html>.

In practice, that means the Bank Secrecy Act regime is swallowing up more transactions every year as inflation decreases the value of the dollar. No bills are passed; no regulations are open to the public. Yet, the wheel is turning, and financial surveillance increases without any checks or balances.<sup>24</sup>

When the Supreme Court effectively signed off on the Bank Secrecy Act, it only did so because \$10,000 was considered “abnormally large” in the 1970s.<sup>25</sup> However, Supreme Court Justices Lewis Powell and Harry Blackmun warned that “A significant extension of the regulations’ reporting requirements ... would pose substantial and difficult constitutional questions for [us.] At some point, governmental intrusion upon these areas would implicate legitimate expectations of privacy.”<sup>26</sup>

We have hit that point. In fact, that point was crossed a long time ago. Recognizing what has happened, Representative Joyce Beatty (D-OH), Barry Loudermilk (R-GA), French Hill (R-AR), Bryan Steil (R-WI), and Roger Williams (R-TX) all pointed out the need for change during a 2022 oversight hearing. Yet, FinCEN has been silent.<sup>27</sup>

Beyond inflation, FinCEN has dramatically expanded financial surveillance at the southern border through geographic targeting orders by lowering the \$10,000 threshold to just \$200.<sup>28</sup> One small business estimated that it would likely go from filing nine reports per week to filing 50,000 reports per week under the initial order.<sup>29</sup> That is nothing short of an impossible standard to comply with. In effect, both entrepreneurs and customers will suffer in a manner that will likely push more people to illegal markets.

Reflecting on the geographic targeting orders, a Texas court described the \$200 surveillance order as “unreasonable” because it “overreaches,” “defies common sense,” and “likely violates the

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<sup>24</sup> Once could say the wheel is turning and it can’t slow down. However, Congress has the power to fix the system. See the recommendations section.

<sup>25</sup> California Bankers Association v. Shultz, 416 U.S. 21 (1974), <https://supreme.justia.com/cases/federal/us/416/21/>.

<sup>26</sup> Ibid.

<sup>27</sup> Nicholas Anthony, “How Inflation Erodes Financial Privacy,” June 10, 2022, <https://www.cato.org/blog/how-inflation-erodes-financial-privacy>.

<sup>28</sup> Nicholas Anthony, “Trump Treasury Expands Financial Surveillance,” Cato Institute, March 13, 2025, <https://www.cato.org/blog/trump-treasury-expands-financial-surveillance>; Nicholas Anthony, “How a \$200 Check Can Put You on a Government Watch List,” Los Angeles Times, April 9, 2025,

<https://www.latimes.com/opinion/story/2025-04-09/california-texas-zip-codes-financial-surveillance-200>;

Nicholas Anthony, “\$200 Surveillance Raised to \$1,000 is Still Wrong,” Cato Institute, September 16, 2025, <https://www.cato.org/blog/200-surveillance-raised-1000-still-wrong>.

<sup>29</sup> Nicholas Anthony, “\$200 Surveillance Raised to \$1,000 is Still Wrong,” Cato Institute, September 16, 2025, <https://www.cato.org/blog/200-surveillance-raised-1000-still-wrong>; Texas Association of Money Services Businesses (TAMSB) et al. v. Bondi et al., No. SA-25-CA-00344-FB, Document 59 (W.D. Tex. 2025), <https://storage.courtlistener.com/recap/gov.uscourts.txwd.1172831691/gov.uscourts.txwd.1172831691.59.0.pdf>.

Fourth Amendment.”<sup>30</sup> “It appears the Government did not think,” wrote the court.<sup>31</sup> The “tactic employed here is akin to using a blunderbuss to target a fly.”<sup>32</sup>

The court issued an injunction to put the geographic targeting order on ice until each side could make its case. A similar injunction was issued in California.<sup>33</sup> This news was welcome until FinCEN went around the courts and reissued the order at a higher threshold and over a vastly greater area—affecting 3.2 million people living across 126 zip codes in Arizona, California, and Texas.<sup>34</sup>

FinCEN Director Andrea Gacki said, “The reports generated by this Geographic Targeting Order will continue to help law enforcement investigate powerful illicit networks operating along the southwest border and beyond.”<sup>35</sup> Yet strangely, when Director Gacki appeared before Congress just a few days later, she was unable to say how many criminals were caught because of this surveillance regime.<sup>36</sup>

### **Authoritarians Have Entered the Chat**

Yet, the trouble with the Bank Secrecy Act is not limited to regulatory burdens, ineffective reporting, and expansionary surveillance. There’s also the problem with how this system is abused by people in power: namely, authoritarians.

In addition to researching surveillance, I’m also directly affected by it. As a cofounder of a small nonprofit—the Activist Atlas—my personal information has been doxxed by the government. I’m not alone. Nonprofit operators are required to disclose principal officers on publicly available IRS filings and nonprofit registration filings, which for small organizations can mean a home address ends up in the public record—making our personal information available to everyone with a computer. Expanding these requirements with something like beneficial ownership reporting would make the problem worse by compounding the idea that the government must ask questions first and find crimes later. And these requirements are particularly concerning for people, like me, fighting for human rights around the world because it effectively hands over my

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<sup>30</sup> Ibid.

<sup>31</sup> Texas Association of Money Services Businesses (TAMSB) et al. v. Bondi et al., No. SA-25-CA-00344-FB, Document 59 (W.D. Tex. 2025),

<https://storage.courtlistener.com/recap/gov.uscourts.txwd.1172831691/gov.uscourts.txwd.1172831691.59.0.pdf>.

<sup>32</sup> Ibid.

<sup>33</sup> Nicholas Anthony, “\$200 Surveillance Raised to \$1,000 is Still Wrong,” Cato Institute, September 16, 2025,

<https://www.cato.org/blog/200-surveillance-raised-1000-still-wrong>.

<sup>34</sup> Ibid.

<sup>35</sup> Nicholas Anthony, “\$200 Surveillance Raised to \$1,000 is Still Wrong,” Cato Institute, September 16, 2025,

<https://www.cato.org/blog/200-surveillance-raised-1000-still-wrong>; Financial Crimes Enforcement Network

(FinCEN), “FinCEN Issues Modified Southwest Border Geographic Targeting Order,” September 8, 2025,

<https://www.fincen.gov/news/news-releases/fincen-issues-modified-southwest-border-geographic-targeting-order>.

<sup>36</sup> Nicholas Anthony, “How Many Arrests Were Made? FinCEN Director Doesn’t Know,” Cato Institute, September 12, 2025, <https://www.cato.org/blog/how-many-arrests-were-made-fincen-director-doesnt-know>; Nicholas Anthony,

“\$200 Surveillance Raised to \$1,000 is Still Wrong,” Cato Institute, September 16, 2025,

<https://www.cato.org/blog/200-surveillance-raised-1000-still-wrong>.

address to authoritarians on a silver platter—putting myself, my family, and my friends in danger.

The danger is not theoretical. My friends and colleagues have been directly attacked through the Bank Secrecy Act in what has come to be known as transnational repression.<sup>37</sup> Authoritarians in Russia, Nicaragua, and elsewhere recognize that the Bank Secrecy Act regime has created the perfect system to surveil and control their opposition.<sup>38</sup>

Consider one example. The Anti-Corruption Foundation has been repeatedly targeted by the Russian government. Most recently, the Russian government named the think tank a terrorist organization and named its members as extremists. By using this tactic, the Putin regime was able to reach across national borders and debank Anti-Corruption Foundation employee Anna Checkhovich here in the United States.<sup>39</sup> Under the Bank Secrecy Act’s zero tolerance policy, it does not matter who calls you a terrorist so long as the accuser is a government.

In another example, Félix Maradiaga paid the price for organizing peaceful protests against the Ortega Regime in Nicaragua. Maradiaga was debanked, had his assets frozen, and was put on an international watch list despite being a celebrated human rights defender. He described his experience saying, “[D]emocratic governments are being made unwitting accomplices to dictatorships, as such regimes cynically manipulate financial-surveillance systems set up to fight crime and terrorism, misusing these powerful instruments to harass, spy on, and hamper dissidents at home and abroad.”<sup>40</sup> Since then, Maradiaga has seen these tools “used to close thousands of civil society organizations and expropriate their assets.”<sup>41</sup>

But these concerns are not limited to authoritarians abroad. Consider the police officers who have been caught abusing government surveillance systems here in the United States.<sup>42</sup> In recent years,

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<sup>37</sup> Jorge Jraissati, “Combatting Transnational Repression: Evidence for Reforming AML/CFT Laws,” Economic Inclusion Group, January 2025, <https://econinclusion.com/wp-content/uploads/2025/02/IRI.pdf>.

<sup>38</sup> Human Rights Foundation, “Tyranny Tracker,” <https://tyrannytracker.org/>.

<sup>39</sup> Nicholas Anthony, “Debanked for Dissent: How Putin’s Reach Extends Abroad,” Cato Institute, January 6, 2026, <https://www.cato.org/multimedia/cato-podcast/debanked-dissent-how-putins-reach-extends-abroad>; Félix Maradiaga, “How Dictators Use Financial Repression Against Their Opponents,” Journal of Democracy, November 2024, <https://www.journalofdemocracy.org/online-exclusive/how-dictators-use-financial-repression-against-their-opponents/>; Nicholas Anthony, “Understanding Debanking: Evaluating Governmental, Operational, Political, and Religious Financial Account Closures,” Cato Institute, January 8, 2026, <https://www.cato.org/policy-analysis/understanding-debanking-evaluating-governmental-operational-political-religious>; Nicholas Anthony, “How Suspicious Activity Can Get You Debanked,” Cato Institute, February 17, 2026, <https://www.cato.org/blog/how-suspicious-activity-can-get-you-debanked>; Jorge Jraissati, “Combatting Transnational Repression: Evidence for Reforming AML/CFT Laws,” Economic Inclusion Group, January 2025, <https://econinclusion.com/wp-content/uploads/2025/02/IRI.pdf>.

<sup>40</sup> Félix Maradiaga, “How Dictators Use Financial Repression Against Their Opponents,” Journal of Democracy, November 2024, <https://www.journalofdemocracy.org/online-exclusive/how-dictators-use-financial-repression-against-their-opponents/>.

<sup>41</sup> Ibid.

<sup>42</sup> Credit goes to Allie Voss for bringing it to my attention that police officers have been abusing surveillance systems to stalk their ex-partners. Allie Voss (@allie\_voss), “I wouldn’t want to be on a cop’s bad side because contrary to popular belief, they don’t need to suspect you of a crime to look at your files. Some take it to extremes, stalking, harassing, and putting tracking devices on their exes (And yes, these are men being this crazy!),” X, May 8, 2026, [https://x.com/allie\\_voss/status/2052852503801221278](https://x.com/allie_voss/status/2052852503801221278).

several officers have used law enforcement resources like the FinCEN database to stalk their exes.<sup>43</sup> The pattern repeats across surveillance systems: license plate scanners, originally pitched as a tool to catch criminals, have become one of the most frequently abused law enforcement databases. This track record matters because some members of Congress have proposed building the equivalent of “digital license plates” for Americans online—a federal digital identity regime tied to internet use. Before adding another surveillance layer on top of the Bank Secrecy Act regime, we should take seriously what the existing layers have already enabled.

## Recommendations

Despite the damage that has been done, Congress has three main options to carve out a new path—a path rejecting warrantless surveillance and embracing financial privacy. Because politics are never an easy matter to navigate, these options start small and end large so that policymakers can know and understand the full suite of available choices.

At a minimum, all of the thresholds for reports required under the Bank Secrecy Act could be adjusted for inflation. That includes suspicious activity reports (SARs), currency transaction reports (CTRs), reports on foreign bank and financial account (FBARs), currency and other monetary instrument reports (CMIRs) and Form 8300 Reports. Some members of Congress have introduced legislation in recent years to get near this goal, but more support is needed to make this change a reality.<sup>44</sup> Given that one could buy two corvettes for \$10,000 when the Bank Secrecy

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<sup>43</sup> Jillian Ellison, “Coffee County Deputy Arrested for Alleged Stalking, Misuse of Database,” AOL, May 11, 2026, <https://www.aol.com/news/coffee-county-deputy-arrested-alleged-162132657.html>; Liam Quinn, “Ga. Cop Allegedly Used Police Resources to Stalk Her Ex,” People, May 6, 2026, <https://people.com/ga-cop-allegedly-used-police-databases-to-stalk-her-ex-11968029>; Christopher Ingraham, “Police Have Reportedly Used License Plate Readers to Stalk Romantic Interests at Least 15 Times in Recent Years,” Institute for Justice, April 27, 2026, <https://ij.org/police-have-reportedly-used-license-plate-readers-to-stalk-romantic-interests-at-least-14-times-in-recent-years/>; Summer Lin, “Ex-Calif. Officer Pleads Guilty to Tracking Woman Using LE Database,” Police1, April 16, 2026, <https://www.police1.com/officer-misconduct-internal-affairs/ex-calif-officer-pleads-guilty-to-stalking-woman-using-le-database/>; Matthew Rodriguez, “Ex-Costa Mesa Police Officer Accused of Using FLOCK Cameras to Track His Mistress,” CBS News, April 14, 2026, <https://www.cbsnews.com/losangeles/news/ex-costa-mesa-police-officer-accused-of-using-flock-cameras-to-track-his-mistress/>; Emily Allen, “Former Maine Cop Accused of Stalking His Ex Using BMV Database,” Bangor Daily News, March 18, 2026, <https://www.bangordailynews.com/2026/03/18/york/york-police-courts/buxton-maine-police-officer-ex-stalking-bmv-database-andrew-ward/>; Keristen Holmes, “Former San Diego Police Officer Sentenced to 1-Year Work-Release Program in Stalking Case,” CBS8, November 18, 2021, <https://www.cbs8.com/article/news/crime/former-san-diego-police-officer-charged-stalking-case-work-furlough-mariusz-czas/509-f399cade-2be8-4e89-8232-b3b6bf533740>; Chris Sheldon, “N.J. Cop Used Police Databases to Stalk Ex-Girlfriend, Investigators Say,” NJ, January 27, 2023, <https://www.nj.com/monmouth/2023/01/nj-cop-used-police-databases-to-stalk-ex-girlfriend-investigators-say.html>.

<sup>44</sup> Barry Loudermilk, “Rep. Loudermilk Reintroduces Legislation to Modernize Financial Reporting and Protect Consumer Privacy,” March 4, 2025, <https://loudermilk.house.gov/rep-loudermilk-reintroduces-legislation-to-modernize-financial-reporting-and-protect-consumer-privacy/>; John Kennedy, “Kennedy, Tim Scott Introduce Bill to Cut Red Tape, Update 1970s Financial Reporting Standards,” October 21, 2025, <https://www.kennedy.senate.gov/public/2025/10/kennedy-tim-scott-introduce-bill-to-cut-red-tape-update-1970s-financial-reporting-standards>; Mike Lee, “Lee Introduces the Saving Privacy Act to Protect Americans’ Financial Data,” September 25, 2024, <https://www.lee.senate.gov/2024/9/lee-introduces-the-saving-privacy-act-to-protect-americans-financial-data>.

Act was first established, it is clear we are talking about a very different number today. Given the state of affairs, changing the thresholds should be a clear priority.

Another option would be for Congress to go further and eliminate the reporting requirements entirely. This option is important because adjusting the thresholds is akin to treating the symptom instead of the cause. The Fourth Amendment does not say people have a right to be secure in their papers *unless* it involves a lot of money. If Congress were to take this option, law enforcement would still be able to go after criminals. They would just need to get a warrant to prove they have a legitimate need for someone's records.

The largest option is for Congress to repeal the Bank Secrecy Act regime. Even without the reporting requirements in option two, issues like know-your-customer requirements, transnational repression, derisking, and debanking all tie back to these laws.<sup>45</sup> Therefore, a full repeal would be the most comprehensive step. Let banks decide what information they need, who they do business with, what risks they take, and when the government should be alerted. It would still be illegal to knowingly assist criminal activity and law enforcement would still be able to get a warrant should an investigation justify it.

Aside from these core reforms, Congress should apply stricter requirements to FinCEN's required reporting (e.g., the requirements it ignores from the Anti-Money Laundering Act of 2020), expand FinCEN's obligation to report key statistics, eliminate 26 USC Section 6050I, protect peer-to-peer transactions, and strengthen the Right to Financial Privacy Act.<sup>46</sup>

## Conclusion

Momentum is building. From the Biden administration's proposal to monitor bank accounts with as little as \$600, to the global rise of central bank digital currencies, to the recent expansion of surveillance along the southern border, more Americans than ever are realizing that financial privacy in the United States is little more than an illusion.<sup>47</sup> And people are speaking out.<sup>48</sup>

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<sup>45</sup> Jorge Jaissati, "Combatting Transnational Repression: Evidence for Reforming AML/CFT Laws," Economic Inclusion Group, January 2025, <https://econinclusion.com/wp-content/uploads/2025/02/IRI.pdf>; Nicholas Anthony, "Understanding Debanking: Evaluating Governmental, Operational, Political, and Religious Financial Account Closures," Cato Institute, January 8, 2026, <https://www.cato.org/policy-analysis/understanding-debanking-evaluating-governmental-operational-political-religious>; Nicholas Anthony, "Banks Are Narcing on You Because Congress Forces Them To," Reason, January 28, 2025, <https://reason.com/2025/01/25/the-banks-are-narcing-on-you/>.

<sup>46</sup> Legislative text is available here: Nicholas Anthony, "Right to Financial Privacy Act Fails to Protect People's Privacy, Again," Cato Institute, August 28, 2023, <https://www.cato.org/blog/bank-america-fbi-right-financial-privacy-act>.

<sup>47</sup> Nicholas Anthony, "Why Don't Americans Have Stronger Financial Privacy Rights?" Cato Institute, October 28, 2021, <https://www.cato.org/blog/why-dont-americans-have-stronger-financial-privacy-rights>; Nicholas Anthony, "Digital Currency or Digital Control? Decoding CBDC and the Future of Money," Cato Institute, June 2024, <https://www.cato.org/books/digital-currency-or-digital-control>; Human Rights Foundation, "CBDC Tracker," <https://cbdctracker.hrf.org/>.

<sup>48</sup> Aaron Klein, "Investigating the Real Impacts of Debanking in America," February 4, 2025, [https://www.banking.senate.gov/imo/media/doc/klein\\_testimony\\_2-5-25.pdf](https://www.banking.senate.gov/imo/media/doc/klein_testimony_2-5-25.pdf); Greg Baer and Gregg Rozansky, "It's Time to Do Away with the Obsolete Currency Transaction Report," American Banker, January 27, 2025, <https://www.americanbanker.com/opinion/its-time-to-do-away-with-the-obsolete-currency-transaction-report>;

Now is the time to reclaim financial privacy. The Fourth Amendment does not expire with inflation. It does not pause at the border. And it does not bend to whichever crisis the government invokes this decade. Fifty-five years of sweeping financial surveillance is enough. It is time for Americans to know that the Bank Secrecy Act is really the Bank Surveillance Act—and it is time for Congress to fix it.

Thank you for the opportunity to provide this information, and I welcome any questions that you may have.<sup>49</sup>

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