

# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

December 9, 2024

Bharat Masrani  
Group President and Chief Executive Officer  
TD Bank Group  
TD Tower  
66 Wellington Street West  
Toronto, ON M5K 1A2

Dear Mr. Masrani,

We write seeking information related to TD Bank Group's involvement in a criminal conspiracy involving profits from the sale of illicit fentanyl trafficked into the United States. In particular, I seek to better understand the extent to which TD Bank Group employees facilitated a scheme to launder over \$470 million in cash from fentanyl sales in the U.S. by criminal syndicates from China.<sup>1</sup> According to the U.S. Drug Enforcement Administration, this flow of illicit cash through TD Bank Group enabled fentanyl traffickers to expand their smuggling operations and contributed to overdose deaths of American citizens.<sup>2</sup>

As you are aware, TD Bank, N.A. and TD Bank U.S. Holding Co. (collectively, "TD Bank") recently plead guilty in federal court and agreed to pay over \$3 billion in penalties to resolve an investigation by the U.S. Department of Justice ("the DOJ") into violations of the Bank Secrecy Act and money laundering.<sup>3</sup> These fines included a \$1.3 billion settlement with the

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<sup>1</sup>Information, *United States vs. TD Bank*, No. N.A., TD bank information, 2:24-cr-00667-ES, (U.S. District Court, District of New Jersey, filed Oct. 10, 2024) (hereinafter, Information, *T.D. Bank, N.A.*) available online at <https://www.justice.gov/opa/media/1373346/dl>

<sup>2</sup> *Queens Man Admits Orchestrating \$653 million Money Laundering Conspiracy, Operating Unlicensed Money Transmitting Business, and Bribing Bank Employees*, U.S. Department of Justice, Feb. 22, 2022, available online at <https://www.justice.gov/usao-nj/pr/queens-man-admits-orchestrating-653-million-money-laundering-conspiracy-operating>, *TD Bank Probe Ties to Laundering of Illicit Fentanyl Profits*, The Wall Street Journal, May 2, 2024, available online at <https://www.wsj.com/articles/td-bank-probe-tied-to-laundering-of-illicit-fentanyl-profits-aae71243>

<sup>3</sup> *TD Bank Pleads Guilty to Bank Secrecy Act and Money Laundering Conspiracy Violations in \$1.8 billion Resolution*, The U.S. Department of Justice, Oct. 10, 2024, available online at <https://www.justice.gov/opa/pr/td-bank-pleads-guilty-bank-secrecy-act-and-money-laundering-conspiracy-violations-18b>

U.S. Financial Crimes Enforcement Network.<sup>4</sup>As part of its plea agreement with the DOJ, TD Bank admitted to running a criminally deficient anti-money laundering (“AML”) program, and acknowledged that its employees actively helped three different criminal networks launder hundreds of millions of dollars through the bank.<sup>5</sup>

According to federal court records, between 2018 and 2021 TD bank employees helped a network led by Da Ying Sze (hereafter “Sze network”) launder approximately \$474 million in cash from illicit sales of fentanyl and other narcotics through TD Bank branches in New Jersey, New York, Pennsylvania, Maine and Florida.<sup>6</sup> As part of this scheme, Da Ying Sze bribed TD Bank employees in order to deposit large amounts of cash – occasionally in excess of one million dollars in a single day – into accounts not formally under his control.<sup>7</sup> The Sze network also used TD Bank to issue official checks and make international and domestic wire transfers to transfer illegal cash from fentanyl sales to thousands of individuals and entities in the United States, China, Hong Kong and elsewhere.<sup>8</sup>

The Sze network’s fentanyl money laundering scheme was done with the knowledge and participation of TD Bank employees. TD Bank has admitted that retail employees “at multiple levels” were aware of the Sze network’s illegal activities.<sup>9</sup> For example, in August 2020, one TD Bank store manager emailed another and remarked, “You guys really need to shut this down LOL.”<sup>10</sup> In late 2020, another store manager asked his supervisors (several TD Bank regional managers) to act, noting that “it is getting out of hand and my tellers are at the point that they don’t feel comfortable handling these transactions.”<sup>11</sup> Additionally, in February 2021, when the Sze network purchased more than \$1 million worth of official bank checks with cash in a single day, a TD bank employee asked, “How is that not money laundering,” to which a TD bank employee responded, “oh it 100% is.”<sup>12</sup>

It appears that TD Bank compliance executives tasked with overseeing the bank’s anti-money laundering (AML) program were also notified of the Sze network’s suspicious activities, but failed to act in a timely manner. For example, an executive who was the head of TD Bank’s U.S. Financial Intelligence Unit regularly received reports throughout 2020 indicating that the extraordinary volume and value of the Sze network’s millions in bank checks were “substantial

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<sup>4</sup>*FinCEN Assesses Record \$1.3 billion Penalty against TD Bank*, U.S. Financial Crimes Enforcement Network, Oct. 10, 2024, available online at <https://www.fincen.gov/news/news-releases/fincen-assesses-record-13-billion-penalty-against-td-bank>

<sup>5</sup> *TD Bank Pleads Guilty to Bank Secrecy Act and Money Laundering Conspiracy Violations in \$1.8 billion Resolution*, The U.S. Department of Justice, Oct. 10, 2024, available online at <https://www.justice.gov/opa/pr/td-bank-pleads-guilty-bank-secrecy-act-and-money-laundering-conspiracy-violations-18b>

<sup>6</sup> Information, *T.D. Bank, N.A*

<sup>7</sup> *Id.*

<sup>8</sup> *Queens Man Admits Orchestrating \$653 million Money Laundering Conspiracy, Operating Unlicensed Money Transmitting Business, and Bribing Bank Employees*, U.S. Department of Justice, Feb. 22, 2022, available online at <https://www.justice.gov/usao-nj/pr/queens-man-admits-orchestrating-653-million-money-laundering-conspiracy-operating>

<sup>9</sup> Information, *T.D. Bank, N.A*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

outliers.”<sup>13</sup> These reports flagged \$8.3 million worth of checks purchased with cash by Da Ying Sze and his associates. This same head of TD Bank’s Financial Intelligence Unit apparently did not conduct additional investigation concerning the Sze Network.<sup>14</sup>

Supervisors and U.S. AML personnel at TD Bank also failed to act on other warnings from retail employees that the Sze network’s activities were suspicious. These warnings were communicated by retail employees filing unusual transaction referrals (UTR). In one instance, a retail employee in September 2020 reported to AML executives that “EVERY DAY CUSTOMER DEPOSIT A LOT OF CASH.”<sup>15</sup> Another retail employee told AML executives that they “did not feel comfortable doing their deposits knowing the activity is highly suspicious.”<sup>16</sup> Instead of conducting further investigation, the Vice President within AML operations for TD Bank instead instructed retail employees to stop filing UTR reports and informed them that no further reports would be necessary.<sup>17</sup>

Unfortunately, it is unclear what consequence, if any, TD Bank executives faced for enabling this massive fentanyl money laundering scheme. TD Bank’s conduct endangered American lives and helped dangerous criminals from China and elsewhere expand their fentanyl trafficking operations in the U.S. The fentanyl crisis in America has already resulted in 100,000 deaths since 2002, and immediate action is needed to prevent traffickers from using the U.S. banking system to launder profits from the sale of this deadly poison. This includes swift action to hold bankers accountable, including criminal prosecution and sanctions.

In order to better understand the conduct of TD Bank’s employees in relation to the Sze network’s scheme and inform legislative efforts to curb trafficking of fentanyl from China and elsewhere, please provide the following information no later than January 13, 2025:

1. When did TD Bank first become aware that cash being deposited by the Sze network at TD Bank stores in the U.S. were proceeds from illegal fentanyl sales in the U.S.?
2. Did TD Bank ever conduct any internal due diligence or investigation to determine whether cash being deposited at TD Bank by the Sze network had links to the trafficking of fentanyl and other illegal narcotics? If so, please provide all documents related to that review.
3. Did TD Bank ever conduct any internal due diligence or investigation to determine whether the Sze network had links to organized crime or drug trafficking organizations in China or elsewhere? If so, please provide all documents related to that review.

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

4. Please provide copies of all unusual transaction referrals (“UTR”) that were filed by TD bank employees for accounts related to the money laundering network operated by Da Ying Ze and his co-conspirators (collectively, “the Sze network”).
5. Please provide a detailed list of all cash deposits, official bank check and wire transfer transactions for accounts related to the Sze network. For each transaction, please provide the date of the transaction, the dollar value, and the names of the TD bank employees who processed the transaction. For outbound wire transfers please also include the name of the individual or entity that the funds were sent to, the financial institution to which the funds were sent and the city/country where the funds were sent.
6. Please provide a list of all wire transfers by the Sze network from accounts at TD Bank to accounts in China and Hong Kong. Please include the names of the recipient individuals and entities as well as the financial institutions to which the funds were sent.
7. Please provide copies of all electronic correspondence concerning accounts related to the Sze network sent or received by TD Bank employees from the following groups at TD Bank: The U.S. Financial Intelligence Unit (FIU), Global Anti-Money Laundering (GAML), Bank Secrecy Act (BSA), AML operations.
8. Please provide copies of all electronic correspondence related to the Sze network’s accounts sent or received by individuals who held at least one the following positions at TD Bank: BSA Officer, Deputy Global Head of AML Compliance, Global Head of AML Compliance, Vice President of AML operations, Head of U.S. Financial Intelligence Unit, and Chief AML Officer.
9. According to court records, in late 2020 a store manager implored his supervisors (several TDBNA regional managers) to act on the Sze network, noting that “it is getting out of hand and my tellers are at the point that they don’t feel comfortable handling these transactions.” Please provide the names of the TDBNA regional managers referenced above and all electronic correspondence sent or received by those individuals related to the Sze network’s accounts at TD bank.
10. How many TD bank employees were found to be complicit in TD Bank’s failures related the Sze network’s money laundering activities? How many of those employees have been terminated or referred for criminal prosecution?
11. Have any employees who participated in the Sze network’s money laundering network been allowed to keep their jobs? If so, please explain why.

Should you have any questions or wish to discuss this request please don’t hesitate to contact Patricio Gonzalez or Brian Cohen from our staff. Thank you for your attention to this important matter.

Sincerely,

*Ron Wyden*

Ron Wyden, Chairman  
Committee on Finance

*Elizabeth Warren*

Elizabeth Warren  
United States Senator