

stop the favors for Wall Street before they happen rather than taxpayers bailing out these companies after they scam the public and then the public is left penniless in far too many cases.

It is also an opportunity for the Director to hear what kinds of consumer problems Americans are facing. Here is fundamentally the reason why. Pope Francis, soon after he assumed the papacy, admonished his parish priests to go out and smell like the flock. Go out and smell like the flock. In other words, go out among people and see what troubles them, see what their problems are, try to experience their lives as much as a well-paid public servant can, including a Senator, including a Congressman or Congresswoman, including a city council person, whoever. Go out and smell like the flock. So instead of Mulvaney going and hanging around payday lenders in Bahamas, maybe he ought to go out and smell like the flock. Maybe he ought to follow the words of Pope Francis and listen to the problems people have. One of the ways of doing that is listening to these 25 advocates for American consumers and industry experts. As I said, they are required to meet twice a year, and if he is not listening to them—he clearly isn't listening to people who can share some of these thoughts.

Similarly, when Lincoln was President, his staff wanted him to stay in the White House and win the war and free the slaves and preserve the Union, and Lincoln said: No, I have to go out and get my public opinion baths. Well, Director Mulvaney could use some public opinion baths. He could use some going out and smelling like the flock. Maybe he then would understand consumers' problems. But he really doesn't seem to want to do that.

Over and over again, he has used his position at the Consumer Financial Protection Bureau to do favors for corporate special interests rather than look out for the people he is supposed to serve. He canceled an investigation into the payday lending industry, which preys on consumers and traps them in a downward spiral of debt. We know how that happens. People don't genuinely get one payday loan. Their car breaks down, and they borrow \$400 because they can't get to work. They will not be able to pay their rent if they can't get to work, so they borrow the \$400 because they don't have \$400 in their pocket. A quarter of Americans—more than that—don't have \$400 of discretionary money in their pockets to pay for an emergency. They go to a payday lender. They can't pay them back right away, so they get another payday loan. They can't pay that back, and by the end, they end up paying \$1,500. They never get out of that downward spiral. Does Director Mulvaney care? Apparently not. He is too busy hanging out with payday lending advocates and payday lenders themselves.

If that weren't bad enough, this week he ordered the Bureau to team up with

those same payday lenders. He joined a lawsuit to delay a rule protecting consumers from triple-digit interest rates. Do you know why I say triple digits? Again, that is what happens. Almost nobody gets one payday loan. They simply can't pay it back quickly enough, so they get a second and a third. You don't have to be very good in math. Even Senators can understand this. If you are getting three, four, five, six payday loans, you are into paying triple-digit interest rates. If you borrow \$300, you end up paying back \$500, \$600, \$700.

He has gutted the Office of the Consumer Financial Protection Bureau that was supposed to stop discrimination in lending. He has disbanded the team that protected student loan borrowers. Nobody who is even as conservative as anybody in this body might be, who is in the tank with Wall Street as much as anybody in this body might be—there are a whole lot of them in that category—nobody really believes that we created the Consumer Financial Protection Bureau to fleece consumers and to protect payday lenders, but that is what the new administrator seems to want. He has hired a bunch of political cronies. We know that. He has given them political salaries. We know that.

When he testified to the Banking Committee, sitting behind him were very well-dressed political cronies pulling down very big salaries, comparable to his salary and in some cases higher than Senators' salaries. I am not complaining about that; I am just saying that these are well-paid people who are political cronies who simply aren't looking out for consumers. It never ends. That is just the Consumer Financial Protection Bureau.

Step back and look at what is happening in Washington, and you see the same pattern—favors for Wall Street, favors for special interests, no matter what it costs American workers, no matter what it costs American families.

The White House looks like an executive retreat. It looks like a retreat for Wall Street executives, except when it looks like a retreat for drug company executives, except when it looks like a retreat for big bank lobbyists, or except when it looks like a retreat for payday lenders and Big Pharma lobbyists. That is the White House.

This place looks the same. The doors open wide around here for lobbyists from the big drug companies, for lobbyists from Wall Street, for lobbyists from the biggest insurance companies in the country—not so much for public interest. You can see that in this body.

Mick Mulvaney even admitted to a room full of bankers—get this. This is illuminating. It is illustrative. It doesn't shock me because I have watched him, and I have watched many people who are just like him here. Mick Mulvaney even admitted to a room full of bankers that he decided whom he would meet with based on

campaign contributions. I am not making this up. He was a Congressman before. These are his words:

We had a hierarchy in my office in Congress. If you're a lobbyist who never gave us money, I didn't talk to you. If you're a lobbyist who gave us money, I might talk to you.

Hear that again. This is Mick Mulvaney, who is now in charge of the Consumer Financial Protection Bureau. And consumers aren't writing big checks to Members of Congress; it is the interest groups.

He said:

We had a hierarchy in my office in Congress. If you're a lobbyist who never gave us money, I didn't talk to you. If you're a lobbyist who gave us money, I might talk to you.

Those are his words. What was particularly troubling about that was he was telling a room full of bankers that story, and he was saying: Come to me. Come to me. Give us money.

Not him per se because he is not running for office now, but give Members of Congress money. Get involved. Make contributions. Come into their offices—don't give them the money in the office. That would be perhaps vulgar and illegal. But give these politicians money, and then they may do things for you.

As the head of Consumer Financial Protection Bureau, he was basically inviting these bankers: Give more money. Give more money. Give more money. Imagine that. Imagine that. Talk about the White House looking like a retreat for payday lending executives and Wall Street executives.

Now we are seeing how devastating those priorities are for American consumers. Think about the 3½ million victims of Wells Fargo's fake account scandal. Think about the servicemembers who had their cars repossessed while serving their country overseas. They come back from combat, they come back from service overseas, and their car has been repossessed. Why? Because the Bureau is not on the beat anymore to protect those servicemembers from those kinds of scandals. Think about the grandmother who ended up paying 300 percent on a \$300 loan.

While Mick Mulvaney is looking out for Wall Street, who is looking out for the servicemember? Who is looking out for the grandmother? Who is looking out for the Wells Fargo fake account scandal victims?

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TILLIS). The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. PORTMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JCPOA

Mr. PORTMAN. Mr. President, today I want to talk about some new information regarding the Iran nuclear deal

negotiated by the Obama administration. This agreement is known sometimes as the JCPOA, or the Joint Comprehensive Plan of Action. This is an agreement that was reached by the Obama administration. It was voted on after the fact by this body. Actually, a majority of Members of the House and Senate chose to oppose the agreement, but not enough to be able to stop it. So it went into effect, and, as my colleagues know, it has gotten some play recently as the administration has pulled out the involvement of the United States in that agreement.

What I want to talk about this evening is new information that has come from the Permanent Subcommittee on Investigations, which I chair. We began an investigation into one aspect of this agreement nearly 2 years ago, and it was based on information that we received that despite the Obama administration's claims to the contrary, there may have been some undisclosed arrangement with Iran to grant them access to the U.S. financial system.

Recall that the basic deal with Iran went like this: In exchange for Iran agreeing to certain limitations regarding its nuclear arsenal, including limiting the new production of enriched uranium for 15 years, the United States and other members of the United Nations Security Council would agree to lift some economic sanctions on Iran. It was the basic construct of the agreement.

As part of that agreement, which included ongoing deadlines that needed to be met over a period of years, the United States lifted what are often referred to as "secondary sanctions." So these weren't direct sanctions on the United States, but these were sanctions on foreign companies, foreign entities, and foreign countries that do business with those under U.S. sanctions—in this case, Iran.

Under the Iran deal, other countries were now allowed, for the first time, to freely do business with Iran without the risk of the United States imposing sanctions on them. That was something that was very important to Iran. Iran was also allowed to access money that had been frozen abroad in other countries because the threat of U.S. sanctions against cooperating foreign partners no longer existed.

At the same time, really because of the nonnuclear concerns regarding Iran, including supporting terrorism, human rights violations, ballistic missile development, and basic destabilization of the region, U.S. sanctions against Iran remained in place. So our primary sanctions stayed in place. This means Iran was banned from directly accessing the U.S. financial system, and banks and other private institutions were still banned from accessing the U.S. financial systems on behalf of Iran.

This is a big deal. Any country that is sanctioned really wants access to our financial system because it is so

intertwined with the rest of the world, and they were still banned from directly accessing our U.S. financial system.

This was a key point that the Obama administration made clear throughout the negotiations with Iran. They repeatedly provided assurances to the American people that Iran would not be granted access to the U.S. financial system. They made the same claims publicly before congressional committees and in testimony here on the Hill.

On July 23, 2015, before the deal was implemented, a senior Treasury official, as an example, said: "Iranian banks will not be able to clear U.S. dollars through New York, hold correspondent account relationships with U.S. financial institutions, or enter into financing arrangements with U.S. banks." This testimony further stated: "Iran, in other words, will continue to be denied access to the world's largest financial and commercial market."

That is us. That is what they said.

On August 5, 2015, the then-Acting Under Secretary of Treasury for Terrorism and Financial Intelligence testified before the U.S. Senate Committee on Banking, Housing, and Urban Affairs that "Iran will be denied access to the world's most important market and unable to deal in the world's most important currency"—that being the dollar.

He also stated: "Iranian banks will not be able to clear U.S. dollars through New York, hold correspondent account relationships with U.S. financial institutions, or enter into financing arrangements with U.S. banks."

These claims were very clear: The U.S. financial system was not to be used.

Despite these claims, the very next year, just after implementation of the deal had begun, we started hearing reports that the Obama administration was considering changing course on this policy.

This obviously raised a lot of concerns from Members of Congress on both sides of the aisle because the Iranian regime remained a state sponsor of terrorism—the No. 1 state sponsor of terror. It continued to threaten ballistic missile activities, and it continued to commit egregious violations of human rights, as it still does today. In fact, in July of 2016, a bipartisan group of 35 Senators sent a letter to President Obama expressing deep concern over these rumors that Iran might be granted access to the U.S. dollar and to the U.S. financial system.

It was about that time when we started our investigation in the Permanent Subcommittee on Investigations. Again, we did so because we were hearing rumors that this might be happening.

Today, after a nearly 2-year investigation, we unveiled a report that detailed for the first time how, despite their claims to the contrary, the Obama administration secretly granted a specific license authorizing the con-

version of Iranian assets worth billions of dollars using the U.S. financial system.

Remember that this happened despite repeated assurances to the public and Congress that Iran would not be granted access to the U.S. financial system. Specifically, the Obama administration asked two banks—U.S. banks—to execute the transactions. Fortunately, these two big U.S. multinational banks refused to do so. The report outlines key findings and recommendations designed to prevent this from happening in the future.

What funds are we talking about? Well, before the Iran deal was implemented, Iran transferred approximately \$13 billion in oil revenue assets to bank accounts overseas. They deposited \$3.8 billion of that oil revenue in one bank account at Bank Muscat in Muscat, Oman.

Three days after implementation of the agreement on January 19, 2016, Bank Muscat contacted the Office of Foreign Assets Control, or OFAC, which is the agency within the Treasury Department responsible for enforcing U.S. sanctions. They did this on behalf of the Central Bank of Iran. This is the Oman bank contacting the U.S. Treasury Department saying: We need your help.

Bank Muscat sought to convert \$5.7 billion in Omani money—the rial—into euros on behalf of Iran. Because the rial is pegged to the U.S. dollar, the most efficient conversion was with an intermediary step through a U.S. bank using U.S. dollars, so that is what they asked for. Iran was eager to convert this money into a more universal currency and was adamant about getting this done quickly.

Despite its public stance that it would not provide Iran access to the U.S. financial system and U.S. banks, on February 24, 2016, OFAC again—this Department of the Treasury agency—issued a specific license to Bank Muscat authorizing Iranian assets worth nearly \$5.7 billion to flow through the U.S. financial system.

Today I heard some say that this specific license was just a narrow exemption or just a minor fix. To that I direct my colleagues to an email from a Bank Muscat official, which said that the license was "a gigantic breakthrough which has assured Iran of almost full global financial inclusion." That doesn't sound like a narrow fix to me.

Anyone suggesting that the specific license didn't grant access to the U.S. financial system hasn't read the report from the Permanent Subcommittee on Investigations. I would encourage them to do that. But they also haven't read the Obama administration's emails that we cite in this report.

Don't take my word for it, though. As one State Department official wrote to his Iranian counterpart: "OFAC informed Bank Muscat and the Central Bank of Oman today that they have a license to convert Iranian assets in its

account to euros through the U.S. financial system.”

That is from the State Department at the time.

Members of the Obama administration clearly understood that something was wrong here; this was not part of the Iran deal. A senior State Department official wrote at the time in 2016 that the transaction was “prohibited by U.S. sanctions that are still in place and which we were clear we would not be removing as part of the JCPOA.” That same official wrote that granting the transaction “exceeded” the JCPOA commitments because it authorized the use of the U.S. financial system.

Let me repeat that so it is crystal clear. The Obama administration State Department completely understood this concession—that giving Iran access to the U.S. financial system was “prohibited by U.S. sanctions” that “we were clear we would not be removing.”

Those aren’t my words. They aren’t the words of the subcommittee. Those are the words of the senior State Department official at the time. There was no confusion about this as far as we can tell.

Shortly after issuing the specific license to use the U.S. financial system to convert the rials, a Treasury official wrote in an email on the matter: “I think we earned the right to never discuss this matter ever again.”

I disagree. I think we have to talk about this and to talk about how before, during, and after the Treasury Department and the State Department officials testified in front of Congress that Iran would not have access to the U.S. financial system, they worked behind the scenes to allow exactly that. We have to talk about this to be sure it doesn’t happen again.

Following the issuance of the specific license, OFAC contacted these two U.S. banks urging them to convert Iran’s rials to U.S. dollars. It appears the administration was becoming desperate. Iran was making both public and private claims that they were not getting the benefit of the deal they expected and asserting that the deal could fall apart. You all may remember that time period, when there were threats by Iran to pull out of the deal.

We discovered an email where a State Department official even suggested that the Secretary of State or the Secretary of the Treasury should contact these U.S. banks themselves and encourage them to facilitate this conversion. By the way, we have no evidence that those calls were made, and I am not suggesting that.

Both U.S. banks declined to complete the transaction. According to the

banks, they refused to do so due to compliance, reputational, and legal risks associated with doing business with Iran. They did the right thing.

Because U.S. banks were unwilling to convert the funds despite requests from the Obama administration, ultimately, Bank Muscat was unable to effectuate the conversion using the U.S. dollar. The State Department has now told us that Iran, over time, converted the funds into euros in small increments using European banks.

The only reason the transaction wasn’t executed through the U.S. financial system was that these two U.S. banks refused, despite pressure, even though the administration asked them to help convert the money.

After the Iran deal was implemented—and after the Treasury Department had issued a specific license—the Obama administration continued to maintain the false notion that it had not provided Iran access to the U.S. financial system.

On April 5, 2016, Ambassador Thomas Shannon said: “There is no exchange of dollars inside the U.S. financial system, and we have not allowed an access to our larger financial system.”

On May 25, 2016, the Acting Under Secretary of Treasury for Terrorism and Financial Intelligence said: “But Secretary Lew has said exactly what I have said here today, and I know he was looking forward to me being here to be able to relay his views on this. Iran will not have access to our financial system.”

On June 7, 2016, Treasury wrote a letter to Senators Kirk and RUBIO saying: “The administration has not been and is not planning to grant Iran access to the U.S. financial system.”

Time after time—before, during, and after the Iran deal—the Obama administration misled the American people and misled Congress on this point. I believe it was because the administration was so eager to make sure this deal was going to work. They wanted to keep Iran in the deal.

Our report also shows that the State Department and Treasury Department held at least 200 meetings, or “road shows,” around the world to encourage other countries to do business with Iran. In the road shows, Treasury Department officials also downplayed any potential future penalties or fines that might result from sanctions.

During one road show, the head of OFAC reportedly told the audience that “95 percent of the time OFAC sees an apparent violation it results in a simple warning letter or no enforcement action.”

So this is the head of the agency at Treasury responsible for enforcing

sanctions saying that 95 percent of the time it results in a simple warning letter or no enforcement action. We shouldn’t be telling anyone that we enforce sanctions—one of our most important foreign policy tools—only 5 percent of the time.

One European regulator who attended an OFAC road show commented that foreign financial institutions felt, in his words, “political pressure” to conduct business with Iran and Iranian companies. Sanctions are a vital foreign policy tool, yet, in this case, the Obama administration seemed to be sending the wrong message about their enforcement and effectiveness.

The PSI report released today outlines key transparency recommendations to ensure that undisclosed side deals like this never happen again, including requiring the current administration to keep congressional committees of jurisdiction up to date on the status of any future negotiations with Iran, disclosing to Congress any specific licenses that are proposed, and putting in place stronger enforcement of U.S. sanctions. Going forward, this report also underscores how important the U.S. financial system is to global finance markets, and it gives us a substantial amount of leverage in negotiations. We should choose to use it.

We now have an opportunity to fix the fundamental flaws in the Iran deal and put in place a stronger agreement that truly protects America’s national security interests and the interests of our allies in the region. Recall that the Iran deal was opposed again by a bipartisan majority of this body.

I support our efforts to work with our European allies to put in place a better deal that truly represents our own national security interests and those of our allies in the region. I hope this report helps us to avoid the kinds of problems that occurred last time the next time around.

Mr. President, I yield the floor.

#### ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m. tomorrow.

Thereupon, the Senate, at 6:32 p.m., adjourned until Thursday, June 7, 2018, at 10 a.m.

#### CONFIRMATION

Executive nomination confirmed by the Senate June 6, 2018:

##### THE JUDICIARY

ANNEMARIE CARNEY AXON, OF ALABAMA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ALABAMA.