

**§ 3410. Customer challenges****(a) Filing of motion to quash or application to enjoin; proper court; contents**

Within ten days of service or within fourteen days of mailing of a subpoena, summons, or formal written request, a customer may file a motion to quash an administrative summons or judicial subpoena, or an application to enjoin a Government authority from obtaining financial records pursuant to a formal written request, with copies served upon the Government authority. A motion to quash a judicial subpoena shall be filed in the court which issued the subpoena. A motion to quash an administrative summons or an application to enjoin a Government authority from obtaining records pursuant to a formal written request shall be filed in the appropriate United States district court. Such motion or application shall contain an affidavit or sworn statement—

(1) stating that the applicant is a customer of the financial institution from which financial records pertaining to him have been sought; and

(2) stating the applicant's reasons for believing that the financial records sought are not relevant to the legitimate law enforcement inquiry stated by the Government authority in its notice, or that there has not been substantial compliance with the provisions of this chapter.

Service shall be made under this section upon a Government authority by delivering or mailing by registered or certified mail a copy of the papers to the person, office, or department specified in the notice which the customer has received pursuant to this chapter. For the purposes of this section, "delivery" has the meaning stated in rule 5(b) of the Federal Rules of Civil Procedure.

**(b) Filing of response; additional proceedings**

If the court finds that the customer has complied with subsection (a) of this section, it shall order the Government authority to file a sworn response, which may be filed in camera if the Government includes in its response the reasons which make in camera review appropriate. If the court is unable to determine the motion or application on the basis of the parties' initial allegations and response, the court may conduct such additional proceedings as it deems appropriate. All such proceedings shall be completed and the motion or application decided within seven calendar days of the filing of the Government's response.

**(c) Decision of court**

If the court finds that the applicant is not the customer to whom the financial records sought by the Government authority pertain, or that there is a demonstrable reason to believe that the law enforcement inquiry is legitimate and a reasonable belief that the records sought are relevant to that inquiry, it shall deny the motion or application, and, in the case of an administrative summons or court order other than a search warrant, order such process enforced. If the court finds that the applicant is the customer to whom the records sought by the Government au-

thority pertain, and that there is not a demonstrable reason to believe that the law enforcement inquiry is legitimate and a reasonable belief that the records sought are relevant to that inquiry, or that there has not been substantial compliance with the provisions of this chapter, it shall order the process quashed or shall enjoin the Government authority's formal written request.

**(d) Appeals**

A court ruling denying a motion or application under this section shall not be deemed a final order and no interlocutory appeal may be taken therefrom by the customer. An appeal of a ruling denying a motion or application under this section may be taken by the customer (1) within such period of time as provided by law as part of any appeal from a final order in any legal proceeding initiated against him arising out of or based upon the financial records, or (2) within thirty days after a notification that no legal proceeding is contemplated against him. The Government authority obtaining the financial records shall promptly notify a customer when a determination has been made that no legal proceeding against him is contemplated. After one hundred and eighty days from the denial of the motion or application, if the Government authority obtaining the records has not initiated such a proceeding, a supervisory official of the Government authority shall certify to the appropriate court that no such determination has been made. The court may require that such certifications be made, at reasonable intervals thereafter, until either notification to the customer has occurred or a legal proceeding is initiated as described in clause (A).<sup>1</sup>

**(e) Sole judicial remedy available to customer**

The challenge procedures of this chapter constitute the sole judicial remedy available to a customer to oppose disclosure of financial records pursuant to this chapter.

**(f) Affect on challenges by financial institutions**

Nothing in this chapter shall enlarge or restrict any rights of a financial institution to challenge requests for records made by a Government authority under existing law. Nothing in this chapter shall entitle a customer to assert the rights of a financial institution.

(Pub. L. 95-630, title XI, §1110, Nov. 10, 1978, 92 Stat. 3703.)

## REFERENCES IN TEXT

Rule 5(b) of the Federal Rules of Civil Procedure, referred to in subsec. (a), is set out in the Appendix to Title 28, Judiciary and Judicial Procedure.

**§ 3411. Duty of financial institutions**

Upon receipt of a request for financial records made by a Government authority under section 3405 or 3407 of this title, the financial institution shall, unless otherwise provided by law, proceed to assemble the records requested and must be prepared to deliver the records to the Government authority upon receipt of the certificate required under section 3403(b) of this title.

<sup>1</sup> So in original. Section does not contain a clause (A).

(Pub. L. 95-630, title XI, §1111, Nov. 10, 1978, 92 Stat. 3705.)

**§ 3412. Use of information**

**(a) Transfer of financial records to other agencies or departments; certification**

Financial records originally obtained pursuant to this chapter shall not be transferred to another agency or department unless the transferring agency or department certifies in writing that there is reason to believe that the records are relevant to a legitimate law enforcement inquiry, or intelligence or counterintelligence activity, investigation or analysis related to international terrorism within the jurisdiction of the receiving agency or department.

**(b) Mailing of copy of certification and notice to customer**

When financial records subject to this chapter are transferred pursuant to subsection (a) of this section, the transferring agency or department shall, within fourteen days, send to the customer a copy of the certification made pursuant to subsection (a) of this section and the following notice, which shall state the nature of the law enforcement inquiry with reasonable specificity: "Copies of, or information contained in, your financial records lawfully in possession of \_\_\_\_\_ have been furnished to \_\_\_\_\_ pursuant to the Right of Financial Privacy Act of 1978 [12 U.S.C. 3401 et seq.] for the following purpose: \_\_\_\_\_ . If you believe that this transfer has not been made to further a legitimate law enforcement inquiry, you may have legal rights under the Financial Privacy Act of 1978 or the Privacy Act of 1974 [5 U.S.C. 552a]."

**(c) Court-ordered delays in mailing**

Notwithstanding subsection (b) of this section, notice to the customer may be delayed if the transferring agency or department has obtained a court order delaying notice pursuant to section 3409(a) and (b) of this title and that order is still in effect, or if the receiving agency or department obtains a court order authorizing a delay in notice pursuant to section 3409(a) and (b) of this title. Upon the expiration of any such period of delay, the transferring agency or department shall serve to the customer the notice specified in subsection (b) of this section and the agency or department that obtained the court order authorizing a delay in notice pursuant to section 3409(a) and (b) of this title shall serve to the customer the notice specified in section 3409(b) of this title.

**(d) Exchanges of examination reports by supervisory agencies; transfer of financial records to defend customer action; withholding of information**

Nothing in this chapter prohibits any supervisory agency from exchanging examination reports or other information with another supervisory agency. Nothing in this chapter prohibits the transfer of a customer's financial records needed by counsel for a Government authority to defend an action brought by the customer. Nothing in this chapter shall authorize the withholding of information by any officer or em-

ployee of a supervisory agency from a duly authorized committee or subcommittee of the Congress.

**(e) Exchange of records, reports, or other information**

Notwithstanding section 3401(6)<sup>1</sup> of this title or any other provision of law, the exchange of financial records, examination reports or other information with respect to a financial institution, holding company, or any subsidiary of a depository institution or holding company, among and between the five member supervisory agencies of the Federal Financial Institutions Examination Council, the Securities and Exchange Commission, the Federal Trade Commission, the Commodity Futures Trading Commission, and the Bureau of Consumer Financial Protection is permitted.

**(f) Transfer to Attorney General or Secretary of the Treasury**

**(1) In general**

Nothing in this chapter shall apply when financial records obtained by an agency or department of the United States are disclosed or transferred to the Attorney General or the Secretary of the Treasury upon the certification by a supervisory level official of the transferring agency or department that—

(A) there is reason to believe that the records may be relevant to a violation of Federal criminal law; and

(B) the records were obtained in the exercise of the agency's or department's supervisory or regulatory functions.

**(2) Limitation on use**

Records so transferred shall be used only for criminal investigative or prosecutive purposes, for civil actions under section 1833a of this title, or for forfeiture under sections<sup>2</sup> 981 or 982 of title 18 by the Department of Justice and only for criminal investigative purposes relating to money laundering and other financial crimes by the Department of the Treasury and shall, upon completion of the investigation or prosecution (including any appeal), be returned only to the transferring agency or department. No agency or department so transferring such records shall be deemed to have waived any privilege applicable to those records under law.

(Pub. L. 95-630, title XI, §1112, Nov. 10, 1978, 92 Stat. 3705; Pub. L. 97-320, title IV, §432(a), Oct. 15, 1982, 96 Stat. 1527; Pub. L. 100-690, title VI, §6186(b), Nov. 18, 1988, 102 Stat. 4357; Pub. L. 101-73, title IX, §944, Aug. 9, 1989, 103 Stat. 498; Pub. L. 102-242, title IV, §411(1), Dec. 19, 1991, 105 Stat. 2375; Pub. L. 102-550, title XV, §1516, title XVI, §1606(b), Oct. 28, 1992, 106 Stat. 4059, 4087; Pub. L. 106-102, title II, §231(b)(2), title VII, §727(b)(2), Nov. 12, 1999, 113 Stat. 1407, 1475; Pub. L. 107-56, title III, §358(f)(1), Oct. 26, 2001, 115 Stat. 327; Pub. L. 109-455, §§10, 13, Dec. 22, 2006, 120 Stat. 3381, 3382; Pub. L. 111-203, title X, §1099(2), July 21, 2010, 124 Stat. 2105; Pub. L. 112-203, §1, Dec. 4, 2012, 126 Stat. 1484.)

<sup>1</sup> See References in Text note below.

<sup>2</sup> So in original. Probably should be "section".