

Nineteen US Generals File Amicus Brief Urging Liability for Banks Laundering Money That Aids Terrorists

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Lawsuit Accuses Financial Institutions of Conspiring with Terrorists, Violating Sanctions, and Helping Launder \$300 Billion

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March 17, 2020, WASHINGTON, DC– Bailey Glasser filed an *amici curiae* (friends of the court) brief today on behalf of 19 retired Generals of the US Armed Forces urging the federal appeals court in New York to hold that banks can be held liable for injuring or killing US soldiers and other Americans by illegally laundering money for Iran that aids terrorists.

The case, *Freeman v. HSBC Holdings PLC*, asserts claims under the Justice Against Sponsors of Terrorism Act (JASTA) for over 400 US soldiers and other Americans (or their estates) wounded and killed by terrorist attacks while serving in Iraq between 2004 and 2011. It charges nine financial institutions in the US, England, Europe, and the Middle East with causing their injuries by conspiring with, and aiding and abetting, Iran and its proxies to violate US sanctions and secretly launder around \$300 billion through the US banking system.

A federal district court in Brooklyn dismissed the suit because the financing for the Islamic Revolutionary Guard Corps (IRGC) and Hezbollah flowed through Iranian “commercial entities” that did not “solely exist for terrorist purposes.” The Generals say that ignores how terrorist networks operate and that JASTA liability is not limited to those illegally supporting organizations that “solely exist for terrorist purposes.” JASTA states that “liability may be asserted to any person who aids or abets...or conspires with the person who committed” an “act of international terrorism.” The Generals—who have vast experience confronting Iran’s threat to US service members in Iraq and Afghanistan – believe that Iran’s, IRGC’s, and Hezbollah’s funding sources and supply chains are vital to their terror activities.

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“I spent my entire military career fighting terrorism and working to keep America safe,” said Retired Four Star General James D. Thurman. “One of the critical ways to fight terrorism is to go after its sources of funding. For years, Iran, the IRGC, and Hezbollah have conspired with financial institutions to fund their terrorism. It is essential that we have the tools to hold those institutions accountable.”

“The district court made a grave mistake,” noted Bailey Glasser’s Arthur H. Bryant, lead counsel for the Generals. “Congress said it was adopting JASTA to provide Americans injured by terrorism ‘with the broadest possible basis to seek relief against persons, entities, and foreign countries, wherever active and wherever they may be found, that have provided material support, directly or indirectly, to foreign organizations or persons engaged in terrorist activities.’ The district court’s decision, if not reversed, will effectively gut that statute.”

“The district court held that, even if these banks conspired to launder money knowing it would likely help finance terrorism, they can’t be held accountable,” said Bailey Glasser’s Joshua I. Hammack, co-counsel for the Generals. “The Generals say that holding is not, and cannot be, right.”

The retired Generals of the US Armed Forces joining in the brief—Gen. Keith B. Alexander, Gen. Vincent K. Brooks, Gen. John Campbell, Gen. Richard A. Cody, Gen. Jack Keane, Gen. Peter J. Schoomaker, Gen. James D. Thurman, Gen. William Scott Wallace, Lt. Gen. James O. Barclay III, Lt. Gen. Mick Bednarek, Lt. Gen. Daniel P. Bolger, Lt. Gen. Sean B. MacFarland, Lt. Gen. H.R. McMaster, Lt. Gen. Michael L. Oates, Lt. Gen. Stephen Speakes, Lt. Gen. James Terry, Lt. Gen. Keith C. Walker, Maj. Gen. Anthony Cucolo, and Br. Gen. William H. Forrester—led America’s efforts to counter the national security threats posed by the Islamic Republic of Iran and its terrorist agents and proxies, including those that operated in Iraq.

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Bailey & Glasser LLP was founded in 1999 by Ben Bailey and Brian Glasser in Charleston, West Virginia. Since then the firm has grown to more than 50 lawyers located in 12 offices including Birmingham, AL; Oakland, CA; Washington, DC; Wilmington, DE; St. Petersburg, FL; Boston, MA; St. Louis, MO; Chicago, IL; Cherry Hill, NJ; Westchester, NY; and Morgantown and Charleston, WV. Plaintiffs and defendants rely on Bailey Glasser to handle the most challenging and consequential legal issues – regionally and nationwide – using a trial-focused approach to vigorously protect the interests of its clients. The firm’s corporate lawyers handle business matters ranging from the negotiation and execution of billions of dollars in commercial transactions, to IPOs, to assisting foreign businesses with investments in US assets.

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