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United States Senate
COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

August 8, 2022

The Honorable Gary Peters
Chairman
Senate Homeland Security and Governmental Affairs Committee
340 Senate Dirksen Office Building
Washington, D.C. 20510

Dear Chairman Peters:

We write today regarding the troubling issues raised by the recent Minority Staff Report from the Senate Committee on Homeland Security and Governmental Affairs (HSGAC) highlighting China's influence and threat to the Federal Reserve System of the United States. The report, *China's Threat to the Fed: Chinese Influence and Information Theft at U.S. Federal Reserve Banks*, reveals concerning activities by Chinese officials and Federal Reserve employees that must be addressed to safeguard and preserve the integrity of our country's monetary policy.¹

The report finds that, for more than ten years, China has been engaged in a "sustained malign influence and information theft campaign against the U.S. Federal Reserve System, taking advantage of America's open and collaborative research practices" and concludes that "the Federal Reserve lacks policies and procedures sufficient to prevent many of these malign influences and collection attempts."² The report further notes that in May 2020, the Federal Bureau of Investigation (FBI) provided the Federal Reserve with "a number" of policy and procedure recommendations "to assist in mitigating Chinese malign influence and information theft."³ The Federal Reserve, however, has not implemented the vast majority of these recommendations.

This is unacceptable. As the committee charged with oversight of the federal government, HSGAC should act on the Minority Staff Report and hold a hearing with

¹MINORITY STAFF OF S. COMM. ON HOMELAND SEC. & GOVERNMENTAL AFFAIRS, 117TH CONG., REP. ON CHINA'S THREAT TO THE FED: CHINESE INFLUENCE AND INFORMATION THEFT AT U.S. FEDERAL RESERVE BANKS v (2022).

² *Id.*

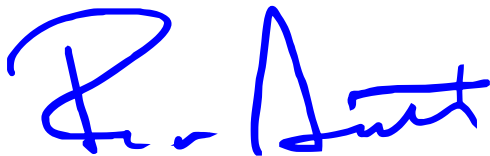
³ *Id.* at 36.

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Federal Reserve Board Chair Jerome Powell and leadership at the FBI to get answers on these urgent and sensitive matters, and to better understand the next steps in responding to this threat.

The American people deserve nothing less than full accountability from their government, and we urge you to take up this matter and hold a public hearing on this report.

Sincerely,



Rick Scott
United States Senator



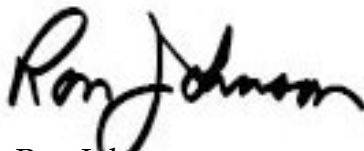
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