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**WRITTEN TESTIMONY FOR  
COUNCIL ON AMERICAN-ISLAMIC RELATIONS, NEW YORK, INC.  
BEFORE THE  
NEW YORK CITY BANKING COMMISSION**

**PRESENTED  
THURSDAY, MAY 25, 2023**

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Dear Members of the New York City Banking Commission:

I am writing to provide testimony on behalf of the New York chapter of the Council on American-Islamic Relations (CAIR-NY) regarding the inclusion of JPMorgan Chase and Citibank as potential depository banks for the City of New York. CAIR-NY is a non-profit organization dedicated to promoting civil rights, enhancing understanding of Islam, and advocating for justice on behalf of American Muslims.

First and foremost, we would like to express our appreciation for the Commission's efforts in ensuring transparency and accountability in the selection process for the city's depository banks. We understand the importance of entrusting public funds to banks that uphold ethical and responsible practices, while safeguarding the interests of all New York City residents.

After careful consideration and evaluation of the practices of JPMorgan Chase & Co. (Chase) and Citibank, CAIR-NY strongly urges the Commission to exclude these two banks from being considered as depository banks due to their discriminatory banking and lending practices.

As a leading civil rights and advocacy organization for Muslim New Yorkers, we believe that access to the financial industry and banking is a fundamental human right. It plays a crucial role in fostering economic empowerment, social inclusion, and the realization of basic human rights. It is in this context that we strongly oppose the selection of Chase and Citibank as city depository institutions.

### **I. CAIR-NY Recommendation For Evaluating Depository Applicants**

When evaluating applicant banks for the city depository role, the New York City Banking Commission should give significant consideration to ethical practices, social responsibility, accountability, and transparency. The following factors should be emphasized:

**Non-Discrimination:** The Commission should assess the applicant banks' commitment to non-discrimination in their policies and operations. This evaluation should include a review of their measures to prevent discriminatory practices in lending, account opening, and other banking services. Banks that have comprehensive policies and robust internal mechanisms to address and prevent discrimination should be prioritized.

**Notice and Transparency:** The Commission should prioritize banks that have clear policies and practices for providing notice and transparency to account holders when adverse actions are taken. This includes actions such as denying account applications, closing accounts, or implementing changes in terms and conditions. Banks that proactively communicate these actions to affected customers, providing clear explanations and opportunities for recourse, demonstrate a commitment to transparency and fair treatment.

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**Complaint Resolution Mechanisms:** The Commission should evaluate the applicant banks' complaint resolution mechanisms. This includes reviewing their procedures for handling customer complaints, addressing concerns related to discrimination or adverse actions, and ensuring timely and satisfactory resolutions. Banks that have effective and accessible complaint resolution mechanisms reflect their commitment to customer satisfaction and accountability.

**Diversity and Inclusion:** The Commission should consider the applicant banks' efforts to promote diversity and inclusion within their workforce and customer base. Banks which demonstrate a commitment to fostering diversity, both in terms of their employees and their outreach to underrepresented communities, create an inclusive environment and contribute to a more equitable banking sector.

**Corporate Social Responsibility Reporting:** The Commission should assess the banks' corporate social responsibility (CSR) reporting practices. This evaluation can include reviewing their CSR policies, initiatives, and public disclosures. Banks that provide comprehensive CSR reports, detailing their social and environmental impact, demonstrate transparency and accountability in their operations.

**Community Engagement:** The Commission should evaluate the applicant banks' involvement in community engagement activities. This assessment includes reviewing their partnerships with community organizations, initiatives to promote financial literacy, and support for local economic development. Banks that actively engage with the community and demonstrate a commitment to addressing social and economic challenges should be given preference.

By prioritizing applicant banks that adhere to ethical standards, embrace social responsibility, promote non-discrimination, and exhibit transparency and accountability in their operations, the Commission can ensure the selection of depository banks that not only safeguard the City's financial interests, but also prioritize the well-being and rights of all account holders.

## **II. Chase and Citibank De-Banking Practices**

Chase and Citibank have faced numerous allegations of discriminatory practices in the past, with reports indicating that they have systematically denied fair access to credit and unfairly closed credit and deposit accounts based on religious or ethnic backgrounds. Such practices not only perpetuate economic disparities but also violate the principles of equal access to financial services that should be upheld by reputable banking institutions.

Over the past few years, our office has received an alarming number of complaints from individuals whose accounts were abruptly closed by Chase and Citibank without justification or explanation. This troubling trend, commonly known as "debanking," continues to disproportionately impact vulnerable populations, including the Muslim community. These instances of debanking raise serious concerns regarding fairness and exacerbate existing economic disparities.

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What makes matters worse is that individuals, businesses, and nonprofits, including mosques, are subjected to debanking without proper due process, justifications, or explanations from these financial institutions. The lack of transparency and accountability in debanking practices is deeply troubling. Impacted customers are left with limited alternatives for accessing banking services, often resorting to costly and potentially predatory financial alternatives. This further widens the economic divide and restricts opportunities for financial stability and growth.

Debanking represents a systemic issue that undermines the principles of fairness and equal access to financial services. Chase and Citibank, in particular, have been identified as the worst offenders in perpetuating these discriminatory practices. Despite the existence of anti-discrimination laws and policies, the lack of a comprehensive "Banking Bill of Rights" allows banks to engage in debanking practices without accountability or the obligation to provide due process. This leaves affected customers in the dark, unaware of the reasons behind the closure of their accounts.

Our office has taken legal action against Citibank and Chase for their discriminatory debanking practices. One egregious case involves a three-generation Muslim family who had maintained a banking relationship with Chase for almost two decades. Without any prior notice or warning, each member of the family received nearly identical letters notifying them of the closure of their deposit and credit accounts. The family's repeated attempts to learn the reasons for the sudden closures were met with evasive responses, leaving them without any answers or recourse. Similar instances of discriminatory debanking have been reported by individuals, businesses, and nonprofits, affecting the Muslim community and various other innocent New Yorkers.

Furthermore, nineteen state Attorneys General recently accused Chase of persistent discrimination against certain customers based on their religious or political affiliation. Shareholders of Chase have also expressed concern over its discriminatory and abusive debanking practices, leading to a shareholder proposal urging the disclosure of account closure policies. Regrettably, Chase chose to ignore this proposal, further highlighting its disregard for transparency and accountability.

Similarly, Citibank has engaged in debanking practices targeting New Yorkers. In 2019, CAIR-NY filed a federal lawsuit against Citibank for unlawfully debanking Mohammed Koysor Ahmed, a Bangladeshi American who experienced the abrupt closure of his multiple accounts without any explanation. Mosques, religious leaders, nonprofits, and individuals affiliated with religious institutions have also been victims of Citibank's account closures.

In light of these discriminatory practices, it would be contradictory to the City's commitment to ensuring equal access to financial services as a human right to select banks involved in such activities as city depository institutions. We urge the New York City Banking Commission to carefully evaluate the ethical, social, accountability, and transparency records of applicant banks, taking into consideration the discriminatory debanking practices of Chase and Citibank. By prioritizing institutions that uphold the principles of fairness, transparency, and equal access to



financial services, the Commission can safeguard the rights of all New Yorkers and promote a more inclusive and equitable banking system.

### **III. Conclusion**

Considering these factors and the importance of access to the financial industry and banking as a human right, we strongly urge the Commission to reject Chase and Citibank as potential depository banks. It is essential for the Commission to select banks that have demonstrated a commitment to upholding the highest ethical standards, fostering social responsibility, and promoting economic inclusivity. By choosing institutions that prioritize fairness, non-discrimination, and transparency, the Commission can ensure that New York City's public funds are entrusted to banks that genuinely serve the best interests of all residents, irrespective of their background or socioeconomic status.

Thank you for considering our testimony and for your ongoing commitment to responsible banking practices. We remain at your disposal for any further information or assistance you may require.

Sincerely,

*Ahmed Mohamed*

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