

**October 3, 2022**

**ATTORNEY GENERAL RAOUL JOINS LETTER OF SUPPORT FOR MAJOR CREDIT CARD COMPANIES' ADOPTION OF NEW MERCHANT CODE FOR GUN SALES BY ARMS RETAILERS**

**Chicago** — Attorney General Kwame Raoul joined a coalition of 11 attorneys general supporting the adoption of a new merchant category code by three of the world's largest credit card companies: Visa, American Express and Mastercard. The new code applies to the sale of firearms and ammunition, which will aid law enforcement efforts to combat the scourge of gun violence.

Earlier this month, the International Organization for Standardization approved the creation of a new merchant code that will allow financial institutions to better detect and report suspicious activity related to the purchase of firearms and ammunition at stand-alone gun retail stores.

"Gun violence is a nation-wide epidemic, and the responsibility of addressing it cannot fall to government or law enforcement alone. A comprehensive approach that includes support from the private sector is critical," said Raoul. "This additional measure of detection and security of purchased firearms and ammunition can assist law enforcement while adding another layer of protection for our communities. I am committed to continued collaboration with law enforcement, policymakers and the private sector to combat gun violence in any way possible."

The code will have no bearing on an individual's ability to lawfully purchase firearms and is narrowly tailored so it applies only to purchases made at stand-alone gun retail shops. The decision by the credit card companies is viewed by gun-safety advocates as an important action that will help law enforcement investigate gun crimes, prevent mass shootings and combat illegal weapons trafficking.

[In a letter](#) to the chief executives of Visa, American Express and Mastercard, Attorney General Raoul welcomed the companies' decision to adopt the new merchant code as an important new public safety tool. Gun violence is a national crisis. There have been hundreds of mass shootings in 2022 alone, including the July 4 mass shooting at the Highland Park, Illinois Independence Day parade, a supermarket shooting in Buffalo, New York and the Uvalde Elementary School massacre. In addition, gun violence plagues communities in Chicago and around Illinois. A collective effort – not just isolated acts – is critical to turn the tide on gun-related violence and crime, the letter asserts.

The letter anticipates that use of the new merchant code will yield vital information to fill crucial data gaps related to multiple purchases of firearms and ammunition. Critically, the letter points out, the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has identified failure by retailers to report the sale of two or more firearms to the same person at one time as a common violation found by ATF inspectors.

In addition, the letter notes that the code will enable financial institutions to track multiple sales to persons who seek to avoid the threshold for reporting gun purchases by making firearms purchases at several different retail outlets.

Another key advantage of the new merchant code is that it will enable financial institutions and law enforcement to analyze transaction patterns associated with mass shootings by persons who have rapidly acquired weapons and large caches of ammunition. The new code will also be a valuable adjunct to "red flag" laws that many states, including Illinois, have enacted to curb domestic terrorism.

While the bulk of today's letter is devoted to applauding the new merchant code and commending the credit card industry's readiness to "step up and do its part," the letter also makes a point of dismissing as "fear mongering" arguments advanced by the gun industry and its supporters that the new code is an incursion on Second Amendment rights.

The code does not prohibit lawful firearm sales or impose new regulations on them, the letter notes, and is "merely an administrative tool to gather data that would enhance law enforcement's ability to do its job." The letter also asserts that, contrary to its detractors' claims otherwise, the new merchant code will not be used to build a database of firearms owners. Nor does the new code pose any more of a threat to consumer privacy than exists now through the application of many other merchant codes related to a broad range of consumer transactions including those at "supermarkets, florists, and bike shops, as well as many other retailers."

The letter is part of Attorney General Raoul's work to address gun violence throughout Illinois and across the nation. For instance, the Attorney General's office created a state-of-the-art crime-gun tracing database for Illinois law enforcement called Crime Gun Connect. Raoul's office also collaborates with local law enforcement to combat gun trafficking and has used the office's jurisdiction to prosecute multi-county gun trafficking offenses. Additionally, the Attorney General's office works with law enforcement agencies and prosecutors to increase awareness of Illinois' red flag law and to address gaps in Illinois' firearms licensing system. The office also continues to prosecute individuals who lie on FOID card applications.

The Attorney General's office partners with the U.S. Secret Service National Threat Assessment Center (NTAC) to try to avert violence by hosting trainings for law enforcement officers, educators, religious leaders and other community members that are designed to prevent targeted acts of violence.

Attorney General Raoul has persistently advocated at the federal and state level to strengthen regulation of 3D-printed guns and ghost guns. Illinois law now prohibits ghost guns, but the office continues to fight in federal court to help defend a recent rule closing the federal loophole. Meanwhile, the Attorney General's office also defends cases pending in courts across the state challenging Illinois regulations of firearms. Nationally, Attorney General Raoul successfully filed and resolved a lawsuit to get the federal firearm license of an unscrupulous arms manufacturer revoked.

In addition to supporting law enforcement, the Attorney General's office supports victims service providers around Illinois that offer trauma-informed services for crime victims and their families. Raoul's Crime Victims Services Division administers a host of programs and services to assist survivors of violent crime. More information is available on the [Attorney General's website](#).

Attorney General Raoul joined attorneys general from California, Connecticut, Delaware, District of Columbia, Hawaii, New Jersey, New York, Massachusetts, Minnesota and Oregon in signing the letter of support.



September 30, 2022

Stephen J. Squeri  
Chairman and CEO  
American Express, Inc.  
200 Vesey Street  
New York, NY 10285

Michael Miebach  
President and CEO  
Mastercard Inc.  
2000 Purchase Street  
Purchase, NY 10577

Alfred F. Kelly Jr.  
Chairman and CEO  
Visa Inc.  
P.O. Box 8999  
San Francisco, CA 94128

RE: Merchant Category Code for Gun Sales

Dear Mr. Squeri, Mr. Miebach, and Mr. Kelly:

We write to express our strong support of your companies' recent decision to adopt the International Organization for Standardization's new merchant category code for gun and ammunition sales. As the chief law enforcement officials in our respective jurisdictions, ensuring public safety is our top priority and the deadly scourge of senseless gun violence stands as one of our primary areas of concern. Accordingly, we are encouraged by your companies' decision and applaud your leadership in assisting us to keep our states and country safe.

Gun violence—including mass shootings—continues to pose a significant threat to public safety across the country. There have been 500 mass shootings in 2022 alone, but we need look no further than Buffalo, Uvalde, Charleston, or Las Vegas to understand that gun violence is a national crisis. As such, it will take a collective effort—not isolated acts—to turn the tide on gun-related violence and crime.

Recent mass shootings have exposed significant gaps in the systems in place to prevent mass casualty events. This new code will begin to fill one of those gaps, offering an additional tool that local, state, and federal entities can use to thwart mass shooting events before they occur. Indeed, data shows that the new code could have been a substantial tool to prevent several tragic incidents over the last decade. For example, the shooter in at least four previous mass shootings purchased guns, ammunition, and gear from retailers and those transactions would have been covered by the new code.

Going forward, the code will help curb the sale of illegal guns that has become prevalent across the United States, in several respects. *First*, the code will increase the likelihood of producing actionable information to fill gaps caused by consumer and retailer non-compliance with multiple sales reports by providing sales information from financial institutions to law enforcement agencies. Critically, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)

identifies retailers' failure to report the sale of two or more firearms to the same person at one time as one of the most common violations found during ATF inspections.<sup>1</sup> *Second*, the code would enable financial institutions to track multiple sales to an individual who seeks to skirt the threshold for reporting purchases by purchasing firearms at multiple outlets. Preventing these types of purchases is a major step toward ensuring compliance with a variety of federal and state laws. *Third*, the code will enable financial institutions and law enforcement to analyze transaction patterns associated with mass shootings by individuals who have rapidly acquired weapons and large caches of ammunition. And *finally*, the code will supplement red flag laws that states have enacted to curb domestic terrorism and keep communities safe.

Contrary to the arguments advanced by the firearm industry and its activists, the new code is aimed at preventing mass shootings—not preventing lawful events where responsible gun owners exercise their Second Amendment rights. The code does not prohibit firearm sales, regulate such sales, or otherwise prevent a consumer from making a gun purchase. Consumers can still purchase firearms lawfully, in accordance with applicable laws and regulations. The new code is merely an administrative tool to gather data that would enhance law enforcement's ability to do its job. Any suggestion that the code creates a chilling effect on firearm sales is nothing more than political fearmongering.

Nor will the information gathered be used for nefarious purposes, such as infringing on consumer privacy or collecting data to create a database of firearm owners, as opponents claim. Merchant codes are applied regularly to a wide variety of consumer transactions, ranging from purchases at supermarkets, florists, and bike shops, as well as, many other retailers, without raising consumer concerns. These straw man arguments muddy the fact that merchant codes are routine tools used to assist financial institutions in operating their businesses and meeting their legal obligations. In fact, the new merchant code is narrowly tailored so that it only applies to standalone gun and ammunition establishments that are independently owned and serve local markets. Importantly, the new code would further promote cooperation and information sharing between retail outlets and law enforcement that is already routine and encouraged across the federal government.

We applaud the new code and commend the credit card industry's willingness to step up and do its part to protect communities and eradicate gun violence across the United States. Curbing gun violence should not be a political issue—saving lives is of critical importance and core to our missions as Attorneys General. This effort is merely another tool to allow law enforcement to enhance its ability to keep the public safe. Please know that our offices stand ready to work with you, federal and state law enforcement agencies, and our communities to put this new reporting asset to work to strengthen our efforts to combat the epidemic of gun violence that continues to plague our country.

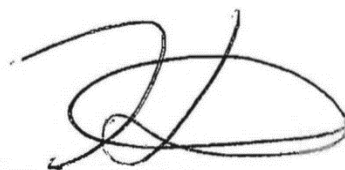
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<sup>1</sup> Wally Nelson, "Best Business Practices for the Timely Submission of Multiple Handgun Sales Reports," National Shooting Sports Foundation, [October 6, 2020](#).

Sincerely,



**MATTHEW J. PLATKIN**  
New Jersey Attorney General



**KARL A. RACINE**  
District of Columbia Attorney  
General



**KATHLEEN JENNINGS**  
Delaware Attorney General



**LETITIA JAMES**  
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**ROB BONTA**  
California Attorney General



**WILLIAM TONG**  
Connecticut Attorney General



**KEITH ELLISON**  
Minnesota Attorney General



**KWAME RAOUL**  
Illinois Attorney General

A handwritten signature in blue ink, appearing to read 'M. Healey', with a large, sweeping flourish at the bottom.

**MAURA HEALEY**  
Massachusetts Attorney General