

Testimony: Proposed Merger of BB&T Corporation and SunTrust Banks, Inc.

Igor Volsky, Executive Director, Guns Down America

May 3, 2019

Thank you for considering my testimony about the proposed merger of BB&T Corporation and SunTrust Banks, Inc. I represent Guns Down America, an organization dedicated to building a future with fewer guns and I am testifying here today in that capacity.

Guns Down America, and a large coalition of faith leaders, community advocates, students, and gun violence survivors, have grave concerns about BB&T's practice of conducting business with the dangerous and reckless gun industry whose military-style weapons are frequently used in mass shootings and everyday gun violence.

Specifically, we are worried that this merger would create a new, large, financial institution that would continue to lack the kind of robust risk management practices and policies that its competitors have adopted, putting millions of Americans at risk.

The Chairman of BB&T has told BB&T clients, employees, shareholders and the communities it serves that the bank operates under the highest standards of corporate governance. "BB&T can achieve its corporate goals and protect its reputation only by conducting business in accordance with the highest ethical, legal and moral standards."¹

BB&T has violated its commitment to act morally by continuing to fund gun companies whose dangerous weapons, irresponsible marketing practices, and financial support for lobbies that work to weaken gun laws, contribute to approximately 40,000 gun deaths every single year.

According to publicly available documents, BB&T arranged \$147.6 million in borrowing for gun companies between 2012 and 2017. In 2016, it committed \$78,469,000 in a loan to Smith & Wesson that was administered by TD Bank. BB&T was also the home of the National Rifle Association Political Victory Fund's bank accounts in 2015.²

In 2006, Smith & Wesson, which previously had only manufactured handguns under its brand name in the modern era, introduced the M&P15 assault rifle (M&P stands for military and police).³

The weapon, an AR-15 style assault rifle, quickly became a favored tool of mass shooters, and has been used in several high-profile mass shootings:

- A Smith & Wesson M&P assault rifle was used to kill 17 people in Parkland, Florida, in February of 2017.⁴
- A Smith & Wesson M&P assault rifle was used to kill 14 people and injure 21 in a shooting in San Bernardino, CA in December of 2015.⁵
- A Smith & Wesson M&P assault rifle was one of the weapons used by the gunman who attacked a Colorado movie theater in 2012, killing 12 people in June of 2012.⁶

¹ <https://bbt.investorroom.com/corporate-governance>

² <https://isyourbankloaded.org/bbt/>

³ <http://vpc.org/wp-content/uploads/2018/02/FloridashootingSmithWesson.pdf>

⁴ http://vpc.org/fact_sht/VPCshootinglist.pdf

⁵ Ibid.

⁶ Ibid.

Smith & Wesson has also donated millions of dollars to the National Rifle Association and in 2013 was inducted into the NRA's "Golden Ring of Freedom," reserved for "corporate partners" that have given a million dollars or more to the organization."

Smith & Wesson head James Debney explained the gunmaker's financial support of the NRA, "[W]e are very closely aligned with the NRA. So we decided it was time to step up and do the right thing, and I think the status now that we've achieved with the NRA and the way that we have now been recognized is a very proud moment for the company... I think it's important for everybody to step up and support the NRA. They are our voice."⁷

We are very troubled by the fact that BB&T arranged a multi-million dollar loan for Smith & Wesson despite its public efforts to make dangerous firearms readily available, firearms that have devastated the very communities and customers BB&T pledged to serve with the "highest" ethical and moral standards.

Guns Down America has repeatedly reached out to BB&T leadership to talk about its business practices and push the bank to adopt robust risk assessment tools but has been repeatedly rebuffed.

Finally, on April 4 2019, in response to a press inquiry about our campaign pushing the nation's largest banks to stop doing business with the gun industry, a BB&T spokesperson told the New York Times that the bank is "deeply concerned with the increasing amount of gun violence in our schools and communities."⁸

We are calling on BB&T to act on that concern and to live up to its own stated corporate values by ensuring that the new financial institution it is hoping to create: 1) adopt robust risk assessment tools that would effectively prevent the bank from doing business with any gun or ammunition manufacturers until the products they produce are regulated for safety by a government body like the Consumer Product Safety Commission; 2) develop a process of flagging suspicious purchases of firearms using bank credit cards, particularly if they come from "bad apple" gun dealers; 3) pledge to release data on this activity quarterly.

Until BB&T and SunTrust make this commitment publicly and in writing, we urge The Federal Reserve Board and the Federal Deposit Insurance Corporation to deny the proposed merger.

Thank you.

⁷ <http://vpc.org/studies/bloodmoney2.pdf>

⁸ <https://www.nytimes.com/2019/04/04/business/gun-control-banks.html>