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Letter to Major Credit Card Companies Denounces Reversal on Pledge to Help Flag Potential Mass Shooters and Gun Traffickers

Credit Card Companies Had Committed to Implement New Merchant Code for Gun Sales

BALTIMORE, MD (March 16, 2023) – Maryland Attorney General Anthony G. Brown condemned the action of four of the world’s largest credit card companies – Visa, American Express, Mastercard, and Discover – in walking back their commitment to implement a new merchant code for gun sales that would help prevent mass shootings and curb gun violence.

In September 2022, Visa, American Express, and MasterCard publicly announced plans to add a new merchant code for gun retailers to the hundreds already used to categorize merchant sales. The creation of the new code had been approved earlier that month by the Switzerland-based International Organization for Standardization to allow financial institutions to better detect and report suspicious activities related to the purchase of firearms and ammunition at standalone gun retail stores. In February 2023, Discover announced that it too would begin using the new code.

But in an abrupt about-face last week, all four companies announced they were putting the brakes on implementing the code, citing legislative bills in several states seeking to bar or limit the use of the voluntary code as a supposed incursion on Second Amendment rights. Today, Attorney General Brown joined a coalition of 14 Attorneys General in denouncing that decision as unjustifiable. In a [letter](#) sent to the chief executives of the four companies, the coalition accused the companies of capitulating to political pressure in the form of unfounded legal threats.

“These major credit card companies should stay true to their commitment to do their part in preventing mass gun violence,” said Attorney General Brown. “To do otherwise, frankly, puts lives at risk.”

In the letter, the coalition reminds the credit card companies that the newly created code for gun stores is hardly an extraordinary development. The companies already using them to categorize basic transactions for everyday items like flowers and groceries, and already have hundreds of retailer codes for everything from stamp shops and wig stores to car rental agencies and various government services. The new code simply creates a unique merchant category for gun stores, which were previously categorized as “sporting goods stores” or “general merchandise.”

Enabling financial institutions to detect and flag threatening patterns and potential criminal activity for law enforcement is nothing new, as they’ve been doing it for decades, the letter points out. For instance, federal law requires Suspicious Activity Reports when banks “detect a known or suspected violation of Federal law or a suspicious transaction related to a money laundering activity or a violation of the Bank Secrecy Act,” the letter states.

The new code, narrowly tailored so that it applies only to purchases made at independently-owned gun retail shops, will have no bearing on an individual’s ability to lawfully purchase firearms. It will, however, help financial institution and law enforcement agencies identify individuals engaging in unlawful transactions, including the purchase of prohibited firearms such as ghost guns or assault weapons, straw buyers engaged in trafficking, and high-risk purchasers trying to avoid detection in amassing an arsenal that could be used for mass shootings.

In addition to Maryland, the letter was signed by the Attorneys General of California, Connecticut, the District of Columbia, Delaware, Hawaii, Illinois, Massachusetts, Minnesota, New Jersey, New York, Nevada, Oregon, and Rhode Island.

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