



NATIONAL FRATERNAL ORDER OF POLICE®

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6 December 2017

The Honorable Stevan E. Pearce
Chairman
Subcommittee on Terrorism and Illicit Finance
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Edwin G. Perlmutter
Ranking Member
Subcommittee on Terrorism and Illicit Finance
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable W. Blaine Luetkemeyer
Chairman
Subcommittee on Financial Institutions and
Consumer Credit
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

The Honorable W. Lacy Clay
Ranking Member
Subcommittee on Financial Institutions and
Consumer Credit
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Messrs Chairman and Representatives Perlmutter and Clay,

I am writing on behalf of the members of the Fraternal Order of Police to advise you of our perspective on proposed legislation entitled the "Counter Terrorism and Illicit Finance Act," which was the subject of the joint subcommittee hearing last week.

The FOP agrees that it is necessary to update and strengthen the tools law enforcement needs to combat criminals who infiltrate our nation's financial system. We are very pleased that the beneficial ownership language from H.R. 3089, the "Corporation Transparency Act," is included in the draft. The FOP has spent years calling for the collection of this data to investigate and prosecute money launderers and other bad actors abusing U.S. financial institutions to conceal or clean profits from illicit activities.

In order to profit from their unlawful activities, criminals and criminal organizations need the ability to launder their proceeds and, regrettably, the U.S. financial system is vulnerable to exploitation. Without access to critical information like beneficial ownership, law enforcement does not have the robust tools it needs to catch and deter individuals and organized syndicates from using our banking laws to hide or launder money from their illegal operations. As this legislation continues to develop, we strongly urge the Committee to update and strengthen our anti-money laundering laws.

First and foremost, the legislation must require that beneficial ownership information be provided to local, State or Federal law enforcement officers conducting an investigation upon presentation of a lawful court order. The current draft would prevent State and local law enforcement from receiving this data and, with more than 90% of U.S. law enforcement operating at the State or local level, it makes no sense to prevent

— BUILDING ON A PROUD TRADITION —

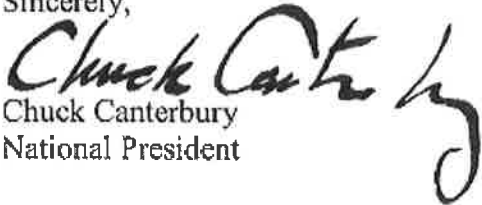
them from investigating financial crimes or the criminal use of our financial institutions by criminals or criminal organizations. Excluding State and local police and prosecutors from gaining access to this information would severely limit the utility of this legislation.

Similarly, law enforcement should be able to access this information with any valid court order and not limit their ability to conduct a full and complete investigation only after the individual has been charged or indicted. Investigations in cases involving networks of linked accounts or anonymous shell corporations are difficult and time-consuming. Broader access to beneficial ownership information is vital if law enforcement is going to protect our financial system. The collection of ownership information will not help law enforcement combat money launderers or illicit financiers if our ability to access it is so tightly restricted. The FOP supports the language of H.R. 3089 on this issue.

We are also concerned that our counterparts overseas may not be allowed if provided beneficial ownership information through appropriate international agreements, to use the information in criminal cases. While we support law enforcement globally, our specific concern is that we then would be limited in what we can expect in return. Since bad foreign actors increasingly seek the safety and stability of the U.S. economy, any legislation must be sure not to create any obstacles to information that can help officers follow the money and shutdown illegal operations wherever they are located.

On behalf of the more than 330,000 members of the Fraternal Order of Police, I want to thank both of your Subcommittees for their work on this important issue. The FOP stands ready to assist these efforts in any way we can to ensure that our financial systems are protected and to shut down the money laundering operations of these criminal enterprises. If we can provide any additional information or insights on this issue, please do not hesitate to contact me or my Senior Advisor, Jim Pasco, in my Washington office.

Sincerely,



Chuck Canterbury
National President

cc: The Honorable T. Jeb Hensarling, Chairman, Committee on Financial Services
The Honorable Maxine M. Waters, Ranking Member, Committee on Financial Services