



# NATIONAL FRATERNAL ORDER OF POLICE®

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11 July 2019

The Honorable Charles E. Grassley  
United States Senate  
Washington, D.C. 20510

The Honorable Dianne G. Feinstein  
United States Senate  
Washington, D.C. 20510

Dear Senators Grassley and Feinstein,

I am writing on behalf of the members of the Fraternal Order of Police to advise you of our support for S.1883, the “Combatting Money Laundering, Terrorist Financing, and Counterfeiting Act.”

This legislation would update and strengthen Federal laws to combat money laundering and provide law enforcement with additional tools to restrict the ability of criminals to profit from their crimes. The bill proposes doubling the penalty for those who violate bulk cash smuggling laws.

Transnational criminal organizations like drug cartels will often move money across international borders by hiring couriers, also known as mules, who then deliver it to another stranger. In this way, the mule remains ignorant of the organization’s operation and, if detained by law enforcement, can provide no useful information about the criminal enterprise. However, while these mules may not have operational knowledge, they are certainly aware that they are violating the law by helping to launder proceeds from criminal activity. A ruling by the U.S. Supreme Court concluded that it is no longer enough to prove that the mule was engaged in the clandestine transport of the illicit funds, but that they must also know *precisely why* the proceeds were transported in this manner. Obviously, this information is rarely known by mules. Your bill would clarify the statute and effectively reverse the Court’s decision in such cases and restore an important law enforcement tool.

The legislation would also address the issue of criminal proceeds being quickly removed from existing bank accounts following the arrest or detention of a person engaged in money laundering. It would allow the government to obtain an order to freeze the accounts of any person arrested for offenses involving the movement of funds into or out of the United States. This temporary measure will give law enforcement the time they need to investigate the activity and determine if it is criminal in nature.

The bill updates current law with respect to hawalas and other informal value transfer systems like those used by international terrorists and trafficking organizations. It restores Federal wiretap authorities for certain cash smuggling and counterfeiting offenses as well as updates the

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counterfeiting law to reflect the use of new technologies to produce counterfeit U.S. currency. Additionally, your bill clarifies that the U.S. Secret Service has the jurisdiction to pursue money laundering investigations and unlawful activity against any financial institution.

The bill would also expand the availability of administrative subpoenas for criminal investigations involving money laundering, illegal money services and attempts to avoid existing reporting requirements. This change will allow law enforcement to move quickly in these types of cases.

This legislation also strengthens the ability of U.S. law enforcement to obtain information and records from foreign banks. For example, a prosecution of a terrorist case was impeded when a bank headquartered in the Kingdom of Saudi Arabia refused to comply, citing deficiencies in the existing statute. The amendments to Federal law in this bill would give our investigators the authority and tools to retrieve these records when requested and put foreign banks on notice that U.S. law enforcement will not be impeded by foreign laws or regulations if we have proper jurisdiction.

Federal law enforcement agencies like the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Drug Enforcement Administration (DEA), and U.S. Marshals Service often station officers at dangerous posts abroad and compensate their agents with a danger pay allowance. This legislation would expand the danger pay allowance to officers and agents in similar postings with U.S. Customs and Border Protection, Immigration and Customs Enforcement and the U.S. Secret Service.

This bill also addresses the persistent use of anonymous shell corporations or front companies to access the U.S. financial system to launder or otherwise conceal financial transactions. It creates a new Federal offense for those who knowingly conceal, falsify or misrepresent the beneficial ownership information of an account, business or held assets. It also would create a new offense for foreign individuals and 311 entities suspected of operating in support of terrorist organizations who launder funds through the U.S. financial system by concealing, falsifying or misrepresenting international transactions. These provisions are a big step in bringing greater transparency and security to our financial institutions.

On behalf of the more than 348,000 members of the Fraternal Order of Police, we are pleased to support this legislation, which we believe will have a very positive impact on the ability of law enforcement to combat money laundering and deny the profits of unlawful activity to criminals. If I can be of any further assistance, please do not hesitate to contact me or my Executive Director, Jim Pasco, in my Washington office.

Sincerely,

  
Chuck Canterbury  
National President