



NATIONAL FRATERNAL ORDER OF POLICE®

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20 June 2019

The Honorable Michael D. Crapo
Chairman
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Sherrod C. Brown
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman and Senator Brown,

I am writing on behalf of the members of the Fraternal Order of Police to advise you of our strong support for legislation to provide the tools and information to law enforcement agencies' ongoing effort to combat terrorism and illicit finance. The FOP appreciates the leadership of the Chairman and the Ranking Member as well as the important work this committee has done on this issue. We look forward to our continued cooperation.

Recently, the House Committee on Financial Services passed H.R. 2513, the "Corporate Transparency Act," on a bipartisan 43-16 vote. The bill as reported would help protect the U.S. financial system from criminal misuse by requiring the U.S. Department of the Treasury, specifically the Financial Crimes Enforcement Network (FinCEN), to collect beneficial ownership information from corporations and limited liability companies formed under State laws. The FOP applauds the legislation's clear requirements as to what information is to be collected because it strikes the right balance by addressing the needs of law enforcement without putting a burden on business owners or compromising their privacy.

Under current law, shell corporations may be used as front organizations by criminals conducting illegal activity, such as money laundering, fraud, and tax evasion. In fact, U.S. Secretary of the Treasury Steven T. Mnuchin made it clear that this is an issue of national security. He testified before the House Financial Services Committee last July and stated that there is a real need to "have access to beneficial ownership information for law enforcement and for combating terrorist financing."

—BUILDING ON A PROUD TRADITION—



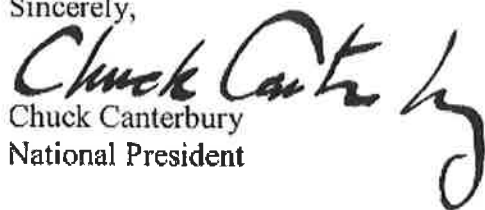
While Federal law enforcement is our chief line of defense against these transnational criminal organizations, it is local law enforcement that sees firsthand the damage inflicted by these illicit enterprises, as traffickers use anonymous shell companies to profit from smuggling drugs, people, and firearms into our communities. The social costs are enormous and the viciousness of the sex trafficking operations is particularly vile.

The beneficial ownership information collected by FinCEN will not only modernize and bring our laws up to date with the rest of the globe, but it will be the starting point for law enforcement to go after these illegal trafficking operations and end the ability of these criminals to profit from these enterprises. All too often, investigations hit a dead end when investigators encounter a company with hidden ownership. Just as robbers or burglars wear masks to hide their faces and make identifying them more difficult; the criminals we are chasing in these cases use shell corporations as masks, concealing themselves while still profiting from their crimes.

When we are able to expose the link between shell companies and drug trafficking, corruption, organized crime and terrorist finance, law enforcement will be able to bring these criminals to justice and make our citizens and our nation safer.

On behalf of the more than 348,000 members of the Fraternal Order of Police, I want to thank this committee for its leadership on this issue and most of all, for its continued engagement with the law enforcement community on the collection of beneficial ownership information. We strongly urge the committee to protect our financial system and our nation from criminal and terrorist organizations by passing legislation like H.R. 2513. If I can provide any additional information on this matter, please do not hesitate to contact me or my Executive Director, Jim Pasco, in my Washington office.

Sincerely,



Chuck Canterbury
National President