



NATIONAL FRATERNAL ORDER OF POLICE®

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CHUCK CANTERBURY
NATIONAL PRESIDENT

JAMES O. PASCO, JR.
EXECUTIVE DIRECTOR

20 May 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 the collection of beneficial ownership information to combat illicit finance and corruption. The FOP has supported legislation like H.R. 2513, the “Corporate Transparency Act,” for many years, and we are grateful that your committee will be holding a hearing on the issue this week.

Transnational criminal organizations and terrorist operations are using our banks, financial institutions and other means to profit from their illegal activity. This is a well-documented problem for our financial institutions and for law enforcement as we work together to shut down these sophisticated criminal enterprises. Congress and this committee have played a leadership role in identifying the problem and worked with law enforcement to develop legislation like H.R. 2513. In addition, this Administration also agrees with this approach—last July, U.S. Secretary of the Treasury Steven T. Mnuchin testified House Financial Services Committee and stated that there is a real need to “have access to beneficial ownership information for law enforcement and for combating terrorist financing.”

The Secretary’s remarks made it very clear that this is a pressing issue and the vulnerability of our financial institutions is a genuine threat to public safety and national security. Under current laws, shell corporations may be used as front organizations by criminals conducting illegal activity, such as money laundering, fraud, and tax evasion. We need legislation like “Corporate Transparency Act” to combat this misuse of U.S. corporations 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. It is vital that such information, once collected, be available to law enforcement at every level—local, State, tribal and Federal—using the appropriate protocols. For this reason, the FOP opposes any legislation which would have the Internal Revenue Service (IRS) as the entity collecting the beneficial ownership information.

Once FinCEN has the ability to share this information, law enforcement will be able to investigate possible connections between these corporations and terrorist funding. All too often, investigations hit a dead end when we 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.

—BUILDING ON A PROUD TRADITION—



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 willingness to engage and work 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 to collect this vital data. 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,

A handwritten signature in black ink that reads "Chuck Canterbury". The signature is written in a cursive, flowing style with a large, prominent "C" at the beginning and a long, sweeping tail that loops back under the name.

Chuck Canterbury
National President