



NATIONAL FRATERNAL ORDER OF POLICE®

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PATRICK YOES
NATIONAL PRESIDENT

JIM PASCO
EXECUTIVE DIRECTOR

26 Sept 2019

The Honorable Mark R. Warner
United States Senate
Washington, D.C. 20510

The Honorable G. Douglas Jones
United States Senate
Washington, D.C. 20510

The Honorable Thomas B. Cotton
United States Senate
Washington, D.C. 20510

The Honorable M. Michael Rounds
United States Senate
Washington, D.C. 20510

The Honorable Robert Menendez
United States Senate
Washington, D.C. 20510

The Honorable John N. Kennedy
United States Senate
Washington, D.C. 20510

The Honorable Catherine M. Cortez Masto
United States Senate
Washington, D.C. 20510

The Honorable Gerald W. Moran
United States Senate
Washington, D.C. 20510

Dear Senators Warner, Jones, Cotton, Rounds, Menendez, Kennedy, Masto and Moran:

I am writing on behalf of the members of the Fraternal Order of Police to advise you of our support for S. 2563, the "Improving Laundering Laws and Increasing Comprehensive Information Tracking of Criminal Activity in Shell Holdings (ILLICIT CASH) Act." This comprehensive legislation provides much-needed tools to better combat money laundering, including the crucial collection of beneficial ownership information.

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. In addition, this Administration also agrees with many of the bills provisions. 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. This bill will allow for the collection

of simple, yet actionable information from companies to be used in combating this misuse of U.S. companies. By requiring the Financial Crimes Enforcement Network (FinCEN) to collect beneficial ownership information from corporations and limited liability companies, law enforcement will finally be able to act on shell companies that deal in illicit financing, human, sex, gun and drug trafficking. This legislation ensures that this information, once collected, will be available to law enforcement at every level—local, State, tribal and Federal.

This allows law enforcement to use this information to further existing investigations to uncover connections between these corporations and criminal activity. 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. 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. This legislation will help law enforcement by removing the mask that hides these illicit actors.

This comprehensive legislation also touches on other avenues in which law enforcement is involved in the financial services industry such as FinCEN's newly created domestic liaisons, which maintain communication with the banking community and FinCEN. The "ILLICIT CASH Act" will also allow for Geographic Targeting Order to be applied to residential and commercial properties.

On behalf of the more than 349,000 members of the Fraternal Order of Police, I want to thank all of you for your leadership on this issue and most of all, for the 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 this legislation. 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, appearing to read "Patrick Yoes", with a large, sweeping flourish extending to the right.

Patrick Yoes
National President