



NATIONAL FRATERNAL ORDER OF POLICE

PATRICK YOES NATIONAL PRESIDENT

JIM PASCO EXECUTIVE DIRECTOR

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25 April 2022

The Honorable Sheldon Whitehouse
United States Senate
Washington, D.C. 20510

The Honorable William M. Cassidy
United States Senate
Washington, D.C. 20510

The Honorable Elizabeth A. Warren
United States Senate
Washington, D.C. 20510

The Honorable Roger F. Wicker
United States Senate
Washington, D.C. 20510

Dear Senators,

I am writing on behalf of the members of the Fraternal Order of Police to advise you of our support for S. 4075, the “Kleptocrat Liability for Excessive Property Transactions and Ownership (KLEPTO) Act.”

The FOP has long been supportive and appreciative of the work done by the Financial Crimes Enforcement Network (FinCEN) on the issue of money laundering through real estate transactions and the implementation of the Corporate Transparency Act. Transnational criminal organizations and terrorist operations exploit our financial system through the purchase of assets such as real estate, aircraft, boats, and automobiles. These purchases are used as a way to transfer illicit funds from criminal activities into the United States without law enforcement authorities taking notice. Criminal organizations are taking advantage of this loophole. It is time to give law enforcement the tools necessary to track these illicit transactions and bring these abusers to justice.

This bill would mandate the disclosure of beneficial ownership information to FinCEN for all real estate transactions. This bill also clarifies that any foreign entity that buys or currently holds real estate in the United States would be considered a “reporting company” under the Corporate Transparency Act which means they would be required to provide a name, birthdate, address, and a unique identifying number from an acceptable identification document for each beneficial owner. Additionally, the Federal Aviation Administration (FAA) would be required to collect beneficial ownership information on all aircraft registered in the United States. The FinCEN would also be responsible for the expansion of anti-money laundering safeguards to the real estate sector, and to businesses that sell aircraft, boats, or automobiles. Lastly, the U.S. Department of the Treasury (USDT) would be required to report on how digital ledger technology can be used to establish a tamper-proof, permanent record of real estate transactions.

On behalf of the more than 364,000 members of the Fraternal Order of Police, we are pleased to support this legislation, which we believe will have an incredibly positive impact on the ability of law enforcement to combat money laundering and the transnational criminal organizations that are abusing our financial systems. If I can provide any additional information about this bill, please do not hesitate to contact me or Executive Director Jim Pasco in our Washington, D.C. office.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Yoes", with a large, stylized initial "P" and a long horizontal stroke extending to the right.

Patrick Yoes
National President