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December 6, 2017

The Honorable Steve Pearce  
Chairman, Subcommittee on Terrorism and Illicit Finance  
U.S. House Financial Services Committee  
2432 Rayburn House Office Building  
Washington, DC 20515

The Honorable Blaine Luetkemeyer  
Chairman, Subcommittee on Financial Institutions and Consumer Credit  
U.S. House Financial Services Committee  
2230 Rayburn House Office Building  
Washington, DC 20515

The Honorable Ed Perlmutter  
Ranking Member, Subcommittee on Terrorism and Illicit Finance  
U.S. House Financial Services Committee  
1410 Longworth House Office Building  
Washington, DC 20515

The Honorable Lacy Clay  
Ranking Member, Subcommittee on Financial Institutions and Consumer Credit  
U.S. House Financial Services Committee  
2428 Rayburn House Office Building  
Washington, DC 20515

**RE: November 29, 2017 Joint Hearing Entitled “Legislative Proposals to Counter Terrorism and Illicit Finance”**

Dear Chairmen Pearce and Luetkemeyer and Ranking Members Perlmutter and Clay,

I am pleased to note the recent hearing on “Legislative Proposals to Counter Terrorism and Illicit Finance.” All of the witnesses recognized the threats posed by anonymous shell companies. They endorsed the need to collect and make available to law enforcement beneficial ownership information.

I am a former U.S. intelligence officer and Treasury Special Agent. My areas of expertise are anti-money laundering and counter-terrorist finance (AML/CFT). I have written four books on the subjects and numerous articles. I have testified before the Subcommittee on Terrorism and Illicit Finance. Last week, I testified before the Senate Judiciary Committee on their hearing on *S.1241: Modernizing AML Laws to*

*Combat Money Laundering and Terrorist Finance.*, where every single witness similarly endorsed the need to collect and make available to law enforcement beneficial ownership information.

I am very pleased that Congress is moving forward to provide a degree of transparency regarding beneficial ownership of U.S. shell companies. This is a very important issue. Criminal organizations, kleptocrats, tax cheats, and terrorists have long used the anonymity offered by shell companies to avoid scrutiny, launder money, evade taxes and engage in other forms of financial crime.

Since my “retirement,” I have traveled the world training foreign law enforcement, intelligence agencies, and customs services in AML/CFT on behalf of the U.S. government. During my discussions with foreign counterparts, I am invariably asked by foreign law enforcement about an investigation they are conducting with ties to a “Delaware company.” They ask if I can assist them in obtaining beneficial ownership information. There is nothing I can do to help. It is quite embarrassing – particularly when I am lecturing them on the need for financial transparency.

Regarding the draft bill, I support the full testimony presented by Stefanie Ostfeld of Global Witness, a member of the FACT Coalition, at the November 29th hearing. In particular, I endorse the following points she made regarding beneficial ownership information:

1. Ensure that domestic law enforcement has access, including federal, state, tribal, and local, to the Financial Crime Enforcement Network’s (FinCEN) database of beneficial ownership information. This shouldn’t require a subpoena.
2. Ensure that foreign law enforcement has access to beneficial ownership information so that it can be used in criminal and civil prosecutions.
3. Require foreign nationals to file their beneficial ownership information with FinCEN, including submitting a scanned copy of the relevant pages of their non-expired passport to FinCEN and define the term “applicant.”

I appreciate the opportunity to present my views. I commend your continued efforts to improve our legislative efforts to combat terrorist financing, money laundering, and other forms of illicit finance.

Sincerely,

John A. Cassara

cc The Honorable Jeb Hensarling, Chairman, U.S. House Financial Services Committee  
The Honorable Maxine Waters, Ranking Member, U.S. House Financial Services Committee