



National District Attorneys Association
1400 Crystal Drive, Suite 330, Arlington, VA 22202
703.549.9222 / 703.836.3195 Fax
www.ndaa.org

December 7, 2017

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
United States House
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
United States House
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters,

On behalf of the National District Attorneys Association (NDAA), the largest prosecutor organization representing 2,500 elected and appointed District Attorneys across the United States as well as 40,000 Assistant District Attorneys, I write regarding the most recent hearing you held entitled "Legislative Proposals to Counter Terrorism and Illicit Finance", specifically the *Counter Terrorism and Illicit Finance Act*.

As part of that legislative proposal, the committee is considering what information is available to law enforcement agencies, and through what process that information is obtainable. As end users of evidence collected throughout the investigative process, it is imperative that prosecutors have as much information as possible in order to determine the best course of action for prosecuting an individual or entity that has committed a crime. Law enforcement and prosecutors must have access to that beneficial owner information when legally authorized by the court, including through criminal and administrative subpoenas.

At a somewhat alarming rate, our members are seeing increased use of shell corporations as fronts for various criminal activities including money laundering and fraud, often times by foreign nationals. Additionally, fraud and other laundering efforts impact local businesses and individuals, creating a direct connection to the well-being of the communities we serve. Obtaining owner information creates a critical information-sharing tool for law enforcement to investigate the real identity of individuals creating fronts for their illicit gains. Unfortunately, the legislation would restrict access to the beneficial ownership information to federal law enforcement agencies, which demonstrates a fundamental misunderstanding that the majority of investigative work and prosecution takes place at the state and local level.

We appreciate your efforts on addressing this issue, and hope you will take the above suggestions into consideration when marking up the draft legislation. We look forward to working with you and your staff to provide a necessary tool for law enforcement and prosecutors to combat the use of shell companies and other nontransparent entities created as a front for criminal activity.

Sincerely,

Michael O. Freeman
President