



NATIONAL FRATERNAL ORDER OF POLICE®

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20 July 2018

The Honorable Michael D. Crapo
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Sherrod C. Brown
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 support for S. 1717, the “Corporation Transparency Act,” which is pending before the committee.

The House Committee on Financial Services has also been holding hearings on the threats to and criminal misuse of our nation’s financial systems. 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.

On 12 July 2018, U.S. Secretary of the Treasury Steven T. Mnuchin testified before the House Committee on Financial Services and stated that there is a real need to “have access to beneficial ownership information for law enforcement and for combating terrorist financing.” He also said this issue needed to be resolved in the next six months—before the end of the 115th Congress.

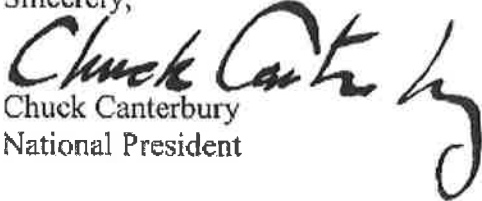
The Secretary’s remarks were very clear that this is a very pressing issue and the vulnerability of our financial institutions poses a genuine threat to public safety and national security. Under current laws, shell corporations may be used as front organizations by criminals conducting illegal activity such as money laundering, fraud, and tax evasion. Legislation like S. 1717 proposes 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 for corporations and limited liability companies formed under State laws unless the State is already collecting this information. This will allow law enforcement to obtain information about corporate owners upon receipt of a lawful request, such as a subpoena or summons.

We agree with the sponsors of S. 1717 and Secretary Mnuchin that legislation to collect beneficial ownership information is a critical tool for law enforcement in combating these criminal organizations by giving law enforcement access to the true identity of the owners behind certain corporations used to conceal criminal activity. The sharing of this information will also help speed the ability of law enforcement to investigate any possible connection between these corporations and terrorist funding.

This bill is critical to our work because, all too often, investigations will hit a dead end when we encounter a company with hidden ownership. Robbers or burglars wear a mask to hide their faces and make identifying them more difficult. In these cases, the criminals we are chasing 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.

On behalf of the more than 335,000 members of the Fraternal Order of Police, we urge the Committee on Banking, Housing and Urban Affairs to quickly consider S. 1717 or similar legislation to facilitate the collection of beneficial ownership information. Thank you for considering the views of the FOP. If I can be of any further assistance or provide additional information on this issue, please do not hesitate to contact me or Senior Advisor Jim Pasco in my Washington, D.C. office.

Sincerely,


Chuck Canterbury
National President

cc: The Honorable Ronald L. Wyden, Member, United States Senate
The Honorable Marco A. Rubio, Member, United States Senate