



STATE OF DELAWARE
DEPARTMENT OF STATE

JEFFREY W. BULLOCK
SECRETARY OF STATE

April 30, 2019

The Honorable Maxine Waters
Chairwoman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Waters, Ranking Member McHenry, and Members of the Committee,

I am writing as a follow-up to my letter to the Committee in June 2018, in which I expressed support for the beneficial ownership provisions included in the *Counter Terrorism and Illicit Finance Act* discussion draft, sponsored in the 115th Congress by Congresswoman Carolyn Maloney (D-NY) and former Congressman Steven Pearce (R-NM). As I noted at that time, the Delaware Department of State has a long history of supporting efforts to establish a national framework for the collection of beneficial ownership information from business entities formed in the United States.

I want to thank the Committee for recognizing the importance of this issue and for its continued work to find a common-sense, bipartisan approach that gives law enforcement the tools they need to combat money laundering and terror financing. Specifically, I am writing in support of *The Corporate Transparency Act of 2019*, which I believe builds on the previous discussion draft to provide an effective, workable solution to the collection of beneficial ownership information in the United States.

The *Corporate Transparency Act* aims to reform our nation's anti-money laundering and countering the financing of terrorism (AML/CFT) regime by requiring corporations and limited liability companies ("LLCs") formed under the laws of every state to report beneficial ownership information. I support the framework contemplated in the legislation, which proposes the collection of beneficial ownership information at the federal level by the Financial Crimes Enforcement Network (FinCEN). I have long argued a piecemeal, state-based approach to the collection of beneficial ownership information would create loopholes vulnerable to exploitation by bad actors. I believe FinCEN possesses the expertise required to responsibly implement an effective and sustainable framework that safeguards privacy.

Importantly, I believe the *Corporate Transparency Act* is appropriately tailored to minimize potential undue burdens on small businesses. The legislation aims to limit the impact of unintentional noncompliance by imposing penalties only in the event of knowing and willful violations of statute. Moreover, the bill strikes an appropriate balance to assist law enforcement and help financial institutions meet their obligations under the Bank Secrecy Act with customer consent, while maintaining limits on who may access information collected by FinCEN. The legislation is properly tailored to require beneficial ownership disclosure only for those entities most likely to be utilized for illicit purposes.

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Letter to The Honorable Maxine Waters / The Honorable Patrick McHenry

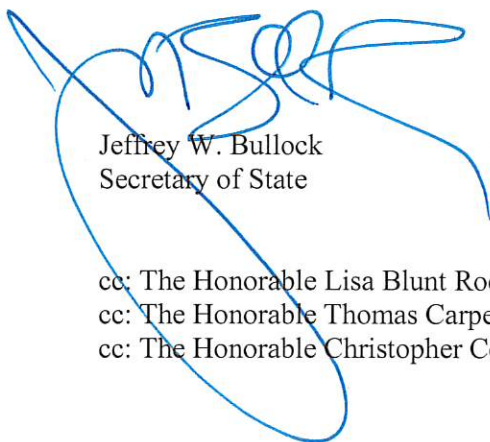
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The debate over how to collect beneficial ownership information has gone on for over a decade and it is time to act. I recognize there will be disagreement with some aspects of the bill. However, the *Corporate Transparency Act* reflects a fair, bipartisan compromise on the most controversial provisions that have previously combined to prevent AML/CFT reforms from becoming law.

Again, thank you for your leadership. I look forward to working with you in ways that will assist your Committee and this Congress as it works to pass *The Corporate Transparency Act*.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey W. Bullock", is written over the typed name and title. The signature is stylized and somewhat illegible due to the cursive and overlapping lines.

Jeffrey W. Bullock
Secretary of State

cc: The Honorable Lisa Blunt Rochester

cc: The Honorable Thomas Carper

cc: The Honorable Christopher Coons