



# NATIONAL FRATERNAL ORDER OF POLICE®

328 MASSACHUSETTS AVENUE, NE  
WASHINGTON, DC 20002  
PHONE 202-547-8189 • FAX 202-547-8190

**CHUCK CANTERBURY**  
NATIONAL PRESIDENT

**JAMES O. PASCO, JR.**  
EXECUTIVE DIRECTOR

13 March 2019

The Honorable Maxine M. Waters  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

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

The Honorable Emanuel Cleaver II  
Chairman  
Subcommittee on National Security, International  
Development and Monetary Policy  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Steven E. Stivers  
Ranking Member  
Subcommittee on National Security, International  
Development and Monetary Policy  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Madam Chairman, Mr. Chairman and Representatives McHenry and Stivers,

I am writing on behalf of the members of the Fraternal Order of Police to advise you of our continued support for the collection of beneficial ownership information to combat terrorist financing, money laundering and other criminal activities. We strongly agree with many of the points raised in H. Res. 206 as they pertain to the collection of this information and we look forward to working with the Committee on Financial Services and the Subcommittee on National Security, International Development and Monetary Policy to address these issues, in the months ahead.

For years, the FOP has supported the collection of beneficial ownership information and we've been proud to partner with Representatives Carolyn B. Maloney (D-NY) and Peter T. King (R-NY) on legislation entitled the "Corporate Transparency Act." A discussion draft sharing that same title is being considered by the committee today and the FOP is once again prepared to support this important legislation.

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.

—BUILDING ON A PROUD TRADITION—

Congress and this committee have played a leadership role in identifying the problem and working with law enforcement to develop legislation like the “Corporation Transparency Act.” In addition, this Administration also agrees with this approach—last July U.S. Secretary of the Treasury Steven T. Mnuchin testified before this committee and stated that there is a real need to “have access to beneficial ownership information for law enforcement and for combating terrorist financing.”

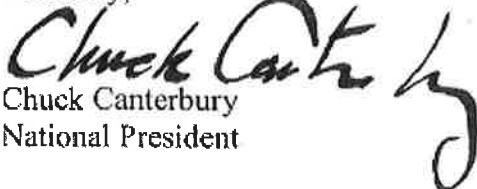
The Secretary’s remarks were very clear that this is a pressing issue and the vulnerability of our financial institutions poses a genuine threat to public safety and national security. Under current laws, shell corporations may be used as front organizations by criminals conducting illegal activity such as money laundering, fraud, and tax evasion. Legislation like the “Corporation Transparency Act” and other measures identified in H. Res. 206, propose 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. It is vital that such information, once collected, be available to law enforcement at every level—local, State, tribal and Federal—upon a lawful request. The sharing of this information will help speed the ability of law enforcement to investigate any possible connection between these corporations and terrorist funding.

All too often, investigations will hit a dead end when we encounter a company with hidden ownership. Just as robbers or burglars wear masks to hide their faces and make identifying them more difficult; the criminals we are chasing in these cases 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.

We would also like to raise our concerns about proposals that would increase the monetary threshold for filing Currency Transaction Reports and Suspicious Activity Reports, thereby reducing the information law enforcement currently receives. It is not clear what policy or public safety aim such a change is intended to accomplish. Organized criminal enterprises are already aware of the current thresholds and often take steps to avoid triggering these alerts and bringing scrutiny to their operations. Increasing these thresholds may negatively impact law enforcement and investigations into money laundering and other financial crimes.

On behalf of the more than 345,000 members of the Fraternal Order of Police, I want to thank this committee for its leadership on this issue and most of all, for its willingness to engage and work with the law enforcement community on the collection of beneficial ownership information. By working together, I believe we can make our financial system and our nation safer from criminal and terrorist organizations. If I can provide any additional information on this matter, please do not hesitate to contact me or my Executive Director, Jim Pasco, in my Washington office.

Sincerely,

  
Chuck Canterbury  
National President