June 27, 2020

The Honorable James Inhofe
Chairman, U.S. Senate Committee on Armed Services
205 Russell Senate Office Building
Washington, DC 20510

The Honorable Jack Reed
Ranking Member, U.S. Senate Committee on Armed Services
728 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Inhofe and Ranking Member Reed:

We write to encourage the Senate to act swiftly to pass meaningful legislation to end the abuse of anonymous shell companies and modernize anti-money laundering (AML) controls and expectations. Passage of the Anti-Money Laundering Act of 2020 is a top priority for the organizations listed below and we applaud the bipartisan efforts that have led to the bill's consideration in the 2021 National Defense Authorization Act. This bill includes critical provisions for law enforcement investigations into organized transnational criminal operations, human trafficking, terrorism financing and other unlawful activity that threatens our national security.

Members of the Senate Banking Committee have worked in good faith with the Department of the Treasury, law enforcement, non-profit groups, and the financial services sector to find consensus on procedures that will close a massive loophole in our anti-money laundering framework. The resulting legislation to create a secure beneficial ownership registry of legal entities, held at the Financial Crimes Enforcement Network, a bureau of the Treasury Department, represents the best path forward to provide law enforcement with needed information to pursue criminals looking to exploit our financial system. The bill strikes the right balance between imposing minimal requirements on small businesses and providing critical information to law enforcement and financial institutions. In addition, if enacted prior to the COVID outbreak, the bill could have assisted financial institution efforts to serve new customers under the Small Business Administration's Paycheck Protection Program.

The legislation also modernizes anti-money laundering controls and processes, which we believe will allow financial institutions to better assist law enforcement in its efforts to detect and deter financial crime and terrorism. Given the signs of increased illicit financial activity around COVID-19, Congress should act now to pass the Anti-Money Laundering Act as it will have a profound impact on preventing money laundering, human trafficking, drug smuggling, terrorism financing, fraud and other illicit activity.

We come together to support this legislation across the political spectrum, [representing law enforcement, national security, district attorneys, and financial institutions,] and encourage the leaders of both parties to support inclusion of the Anti-Money Laundering Act in S 4049. We thank Congress for its dedication to improving the AML/CFT structure.

Sincerely,

American Bankers Association
Bank Policy Institute
Consumer Bankers Association
Credit Union National Association
Financial Services Forum
Institute of International Bankers
Mid-Sized Bank Coalition of America

cc:

The Honorable Mitch McConnell, Majority Leader. United States Senate
The Honorable Charles Schumer, Minority Leader, United States Senate
The Honorable Mike Crapo, Chairman, Committee on Banking, Housing and Urban Affairs
The Honorable Sherrod Brown, Ranking Member, Committee on Banking, Housing and Urban Affairs