



October 16, 2020

The Honorable James Inhofe
Chairman
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, DC 20510

The Honorable Adam Smith
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable Jack Reed
Ranking Member
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, DC 20510

The Honorable Mac Thornberry
Ranking Member
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

Dear Armed Services Chairs and Ranking Members:

We, the undersigned organizations representing millions of businesses and business owners, thank you for your leadership in addressing key defense and national security matters. These are issues that impact every industry, including real estate, insurance, financial services and others. We appreciate the ongoing work to strategically modernize anti-money laundering and counterterrorism measures, including the consideration of beneficial ownership disclosures to discourage the misuse of anonymous shell companies.

Money laundering remains a major national security concern, as bad actors continue to find ways to obscure illegal cash transactions. In the real estate sector, money laundering through anonymous shell companies pose additional challenges to cracking down on illicit schemes. As a result, our members continue to be committed to working with lawmakers, regulators, law enforcement, and industry leaders to combat the use of real estate and other financing vehicles to launder money. We all offer resources and tools to our members to increase professional awareness, knowledge, and understanding of money laundering risks surrounding the sector to better identify and implement effective measures to mitigate such vulnerabilities.

Requiring the disclosure of beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN) for newly created corporate entities is a workable way to trace

potential criminals well before there are any attempts to illegally conceal money through hidden transactions. As the *National Defense Authorization Act for Fiscal Year 2021* (NDAA) is negotiated, we urge the inclusion of such provisions that require the nonpublic disclosure of beneficial ownership information directly to FinCEN to promote needed transparency and improve tracking of the true owners of a corporate entity.

We applaud the continued efforts by the Committees, Treasury Department, and FinCEN to combat money laundering and the recognition that more preventative measures are needed to keep these crimes from occurring. Risk-based reforms that are targeted, consistent, and pragmatic are most helpful for effectively stopping bad actors from engaging in illicit financial crimes, before they impact the large financial system. Such meaningful reforms will also better assist law enforcement, federal regulators, and the financial services industry in identifying and preventing illicit financial crimes.

We greatly appreciate your efforts on these issues and the dedication to combat money laundering and terrorism financing in the twenty-first century.

Sincerely,

American Escrow Association
American Land Title Association
CRE Finance Council
National Association of REALTORS®
Real Estate Services Providers Council, Inc. (RESPRO®)