

September 29, 2022

The Honorable Charles Schumer
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, DC 20510

Dear Leader Schumer and Leader McConnell:

The undersigned organizations represent millions of Main Street businesses and strongly oppose the Establishing New Authorities for Business Laundering and Enabling Risks to Security (ENABLERS) Act, which passed the House as part of this year's National Defense Authorization Act (NDAA).

Under the guise of combatting illicit activities, the ENABLERS Act would require a broad pool of covered businesses, foundations, and charities to collect and report beneficial ownership information, report any suspicious transactions, and establish and enforce anti-money laundering policies.

This legislation would dramatically expand the recently-enacted Corporate Transparency Act's (CTA) reporting requirements, despite the fact that those requirements have yet to be put in place and are unlikely to result in any meaningful law enforcement successes.

While the bill's stated goal is to increase reporting by "professional service providers who serve as key gatekeepers to the U.S. financial system," its broad language would cover the owners, board members, and senior executives of most businesses and charities. Anyone engaged in an entity's formation, acquisition, or disposal would be covered, as would owners and employees engaged in nearly every financial activity of the business, including money management, payment processing, wire transfers, or buying and selling currencies.

These covered individuals would be subject to audits conducted by the Treasury Department initially, while the Act requires Treasury to recommend additional enforcement tools after a year. By way of comparison, the related CTA imposes fines of up to \$10,000, and jail time of up to two years for covered business owners and employees who fail to make the appropriate reports.

The irony is that neither the ENABLERS Act nor the Corporation Transparency Act are likely to improve our law enforcement efforts as, at their heart, they both rely on criminals to self-report their crimes. That is obviously unlikely. Instead, the ENABLERS Act places a disproportionate burden on millions of law-abiding businesses in America.

Finally, the Act's proponents claim the information collected by Treasury will remain secure, private, and used solely for law-enforcement purposes, but several high-profile leaks and breaches in recent years suggest otherwise. Meanwhile, supporters already are calling for Congress to make Treasury's database public, in order to make the private information of business owners and other covered individuals more easily-accessible for political and other purposes.

The ENABLERS Act and related Corporate Transparency Act are unlikely to assist law enforcement agencies in cracking down on money laundering and illicit drug trades, but they are guaranteed to subject millions of law-abiding businesses, non-profits, and other entities to costly and time-consuming reporting, audits, fines, and possible jail terms.

We therefore respectfully ask that you reject this poorly-crafted provision and make certain it is excluded from this year's NDAA.

Sincerely,

AICC, The Independent Packaging Association
Air Conditioning Contractors of America (ACCA)
American Building Materials Alliance (ABMA)
American Council of Engineering Companies
American Farm Bureau Federation
American Foundry Society
American Mold Builders Association
American Pipeline Contractors Association
Asian American Hotel Owners Association (AAHOA)
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Brick Industry Association
Ceramic Tile Distributors Association
Construction Industry Round Table
Convenience Distribution Association
Distribution Contractors Association
Education Market Association
Energy Marketers of America
Equipment Marketing & Distribution Association
Family Business Coalition
Financial Executives International (FEI)
Finseca
Foodservice Equipment Distributors Association
Forging Industry Association
Global Cold Chain Alliance
Heating, Air-conditioning, & Refrigeration Distributors International
IAPD - The Performance Plastics Association
ICSC
Independent Bakers Association
Independent Electrical Contractors
Independent Insurance Agents and Brokers of America
Industrial Fasteners Institute
Institute of Scrap Recycling Industries
Main Street Employers Coalition

Manufactured Housing Institute
Maryland Cattlemen's Association
National Association of Convenience Stores
National Association of Electrical Distributors
National Association of Insurance and Financial Advisors
National Association of Professional Insurance Agents
National Association of Wholesaler-Distributors
National Association of Women Business Owners (NAWBO)
National Automatic Merchandising Association (NAMA)
National Electrical Manufacturers Representatives Association (NEMRA)
National Federation of Independent Business (NFIB)
National Independent Automobile Dealers Association (NIADA)
National Lumber & Building Material Dealers Association
National Multifamily Housing Council
National Peach Council
National Roofing Contractors Association
National RV Dealers Association (RVDA)
National Tooling and Machining Association
National Utility Contractors Association
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association
Pet Industry Distributors Association
Plastics Pipe Institute
Policy and Taxation Group
Power and Communication Contractors Association
Precision Machined Products Association
Precision Metalforming Association
Private Investor Coalition
Real Estate Roundtable
S Corporation Association
Small Business & Entrepreneurship Council
Society of Collision Repair Specialists (SCRS)
Subchapter S Association
The Council of Insurance Agents and Brokers
The Hardwood Federation
US Sweet Potato Council
USA Rice
Wisconsin Grocers Association
Wisconsin Small Businesses United
Wyoming Stock Growers Association