

NPMA LEGISLATIVE ALERT

Composed primarily of small businesses, the pest management industry protects America's food, health and property.

S. 2563, The Improving Laundering Laws and Increasing Comprehensive Information Tracking of Criminal Activity in Shell Holdings Act (ILLICIT CASH Act)

would require small businesses with 20 or fewer employees to provide personally identifying information to the Department of Treasury's Financial Crimes Enforcement Network (FinCEN). Businesses would be required to submit the full legal name, date of birth, current home or business address, and unexpired driver's license or passport number for every "beneficial owner" associated with the business, and to provide updates to FinCEN every time any of this information changes.

Beneficial owner is defined as anyone with a 25% or more ownership stake in the business, anyone who controls the business, and anyone who receives 25% or more of assets from the business. Failure to comply would be a federal crime with civil penalties of up to \$10,000, criminal penalties of up to 4 years in prison, or both. This information would be available without a warrant to members of local, state, tribal, and federal law enforcement, members of national security or intelligence agencies, financial institutions, and to foreign law enforcement agencies via a request to an American agency.

A majority of the pest management industry is composed of small businesses, many of them family-owned and multigenerational. Many do not have an employee dedicated to regulatory or legal issues. Our industry is on the front line of protecting America's food, health and property, and our small businesses are essential to their communities.

The ILLICIT CASH Act may have a laudable goal, but it would place the compliance burden on the smallest of small businesses, and levy significant fines and jail time should they be unable to comply or unaware of the requirements. The Congressional Budget Office (CBO) estimates that small businesses will file 25-30 million annual reports.

ILLICIT CASH is attempting to deal with criminal entities who are using businesses to launder money and holds that the information provided by small businesses will be instrumental in rooting out shell companies. This aim is commendable but unfortunately the bill instead places the onus on small businesses instead of on criminals, who are likely to forge information anyway.

NPMA urges the Senate not to pass S. 2563 as written. NPMA urges the removal of Title IV which outlines this onerous reporting requirement that would place yet another regulatory burden on the smallest of America's businesses and would expose personally identifying information to a wide swath of individuals both foreign and domestic.

NPMA strongly opposes S. 2563 The ILLICIT CASH Act.

Contact NPMA VP of Public Policy Ashley Amidon at aamidon@pestworld.org or (703) 352-6762 with any questions or for more information.