

**Congress of the United States**  
**Washington, DC 20515**

February 19, 2016

President Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20502

Ambassador Michael Froman  
United States Trade Representative  
600 Seventeenth Street, NW, Room 215  
Washington, D.C. 20508

Dear President Obama and Ambassador Froman:

As you continue to engage with our European partners in various bilateral and multilateral fora, and in particular with respect to the ongoing Transatlantic Trade and Investment Partnership (TTIP) negotiations, we urge you to engage in efforts to address trade-based money laundering (TBML).

Recently, the House Financial Services Committee's Taskforce to Investigate Terrorism Financing held a hearing on this matter. Witnesses delivered remarkable testimony on the TBML techniques used by both criminal and terrorist enterprises, alike. Ensuring we are taking proper measures to prevent criminals and terrorists from profiting through TBML must be a priority both here at home and through our engagement with our friends in Europe.

As you are aware, the Financial Action Task Force (FATF) has identified three broad methods used to hide or move illicit funds and introduce them into the formal economy: 1. the direct use of financial institutions, 2. the physical smuggling of bulk cash between countries, and 3. the transfer of goods via trade, or TBML.

We are concerned that, to date, there have not been adequate domestic or global resources dedicated towards countermeasures that address TBML. Moreover, we do not believe European governments have done enough to focus their attention on countering this ongoing problem.

With that in mind, in your engagement with our European partners, including in the context of the trade negotiations, we request that you urge European countries to establish and maintain Trade Transparency Units (TTU) within their law enforcement and customs agencies.

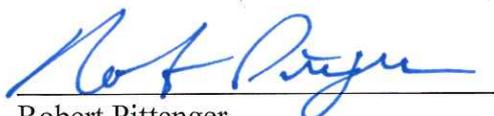
We also support the strengthening of America's TTU. The experts who testified before our Committee agreed that our domestic TTU should be reinvigorated with a stronger focus on the current threat environment, along with increased budgetary resources to help build the necessary capacity and expertise.

Trade Transparency Units were originally established by the Department of Homeland Security in 2004 with the objective of identifying global TBML trends and sharing this data analysis with partner nations. Currently, the United States maintains a TTU relationship with Argentina, Australia, Colombia, Dominican Republic, Ecuador, Guatemala, Mexico, Panama, Paraguay, Peru, and the Philippines.

We strongly urge the inclusion of European nations in the TTU data-sharing process. Not only does trade transparency combat international money laundering and illicit value transfer, but it will also combat customs fraud, VAT violations, abusive trade “mis-invoicing,” and other trade-related crimes. In that sense, trade transparency is a proven revenue enhancer.

Furthermore, trade transparency can provide valuable intelligence that leads law enforcement to underground financial networks, such as misuse of Hawalas and Chinese “flying money.”

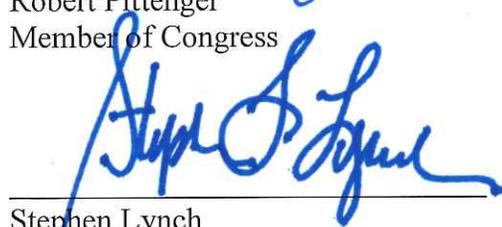
Thank you for your consideration.



Robert Pittenger  
Member of Congress



Michael Fitzpatrick  
Member of Congress



Stephen Lynch  
Member of Congress



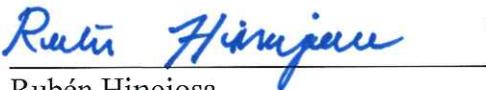
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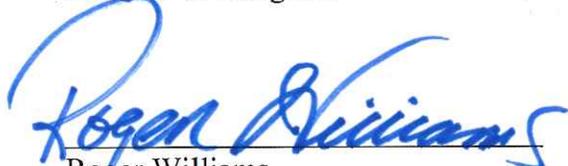
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